

# **Marketing strategy implementation and value proposition in the mindsets of multinational company subsidiaries**

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by

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Volume 1 of 2



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## **Author's Declaration**

This thesis complies fully with the De Montfort University regulations for the award of Doctor of Philosophy degree. Unless otherwise stated, all work contained within this Thesis is the author's.

During the period I have been registered as a candidate for the degree for which this submission is made, I have not been a registered candidate for another award of any other university.

## Acknowledgements

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## Abstract

This exploratory case study seeks to add original insight to marketing strategy theory through the investigation of key elements within its implementation. A detailed analysis of marketing strategy theory is conducted, identifying limitations and supported with pilot study findings. Of key interest is the gap between marketing strategy and its implementation, and the importance of the value proposition within UK based subsidiaries. Insights from other areas of business theory such as organisational learning and culture, including Senge (1990), Slater and Narver (1994), Coles (2003), Lee (2004) and Yeo (2005) are introduced in order to produce a coherent area of research. Key gaps in the literature are then explored further before a single case study is used to investigate the value proposition, mindsets, company vision and their influence on marketing strategy implementation.

34 in-depth face-to-face interviews are carried out at all levels of a market-leading subsidiary of a multinational company (MNC). At least two interviews are carried out at each level for validation and follow-up interviews are used to cross check, strengthen and enrich the data. All interviews use strict interview protocols and a semi-structured interview technique. Data is fully transcribed and analysed using computer software and Dey's (1998) method and implications for both business and academia are identified.

Often overlooked is the way in which marketing plans are implemented within organisations (Stewart, 1998; McEachern, 1998; Garret, 2000; Piercy, 2002; Palmer, 2005). Some studies emphasise the value proposition as a key marketing concept (Walters, 1999; Buttle, 2000; Piercy, 2002), whilst others focus on definitions of the internal impact of the value proposition (Webster, 1994; Alloza et al, 2004). This research offers a realistic exploration of the more intangible aspects of marketing strategy implementation, finding that in the implementation process the value proposition plays a key role in the creation and alignment of marketing mindsets, forming an implementation mindset that ultimately affects the customer experience. This study also highlights the importance of people (Slater and Narver, 1994; Coles, 2003) behind the more formal and tangible processes of marketing strategy and recognises that subsidiaries of MNCs have the ability to leverage the value proposition to compete within their domestic environment.



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## **Chapter one: Introduction to research**

### **1.1 Overview of research philosophy, aims and definition of key terms**

The overall aim of the study is to add original insight into marketing strategy theory through the exploration of key elements within its implementation. This exploratory research leans towards interpretivism rather than the more scientifically based positivist approach. The main aims of the study use the terms “investigate”, “understand” and “explore”, emphasising this perspective. This study uses a case-based inductive approach supported by authors such as Yin (2003) and highlights the importance of the value proposition, not only as a key component in the construction of customer centric strategy, but also as a vital influence on the effectiveness of implementation of marketing strategy through its relationship with marketing mindsets and the company vision. The research applies inductive and methodological techniques to highlight the issues faced in business today and at the same time attempts to bring together previous academic work within the different fields of management solving marketing problems and opportunities. For clarity the following definitions of key constructs and terms are given, the basis for which are discussed in the relevant chapters.

#### **The value proposition**

The core of a company’s marketing strategy, defining what a company tries to stand for in the marketplace and how this is achieved through marketing assets.

#### **Company vision**

The over-riding principle that guides the company, defining what the company wants to be. Can be contained within statements, values and beliefs.

#### **Marketing mindsets**

The distillation of an employee’s set of attitudes, values and perceptions toward their organisation, which collectively create and interact with a company mindset, determining how individuals develop, manage and implement marketing strategy. This construct does not take behaviour into account.

**Company mindsets**

Company mindsets are defined by this research as the elements of individual mindsets that are shared by others in the organisation. Thus the stronger the company mindset the more aligned individual mindsets are.

**Decided/actual elements of the marketing process**

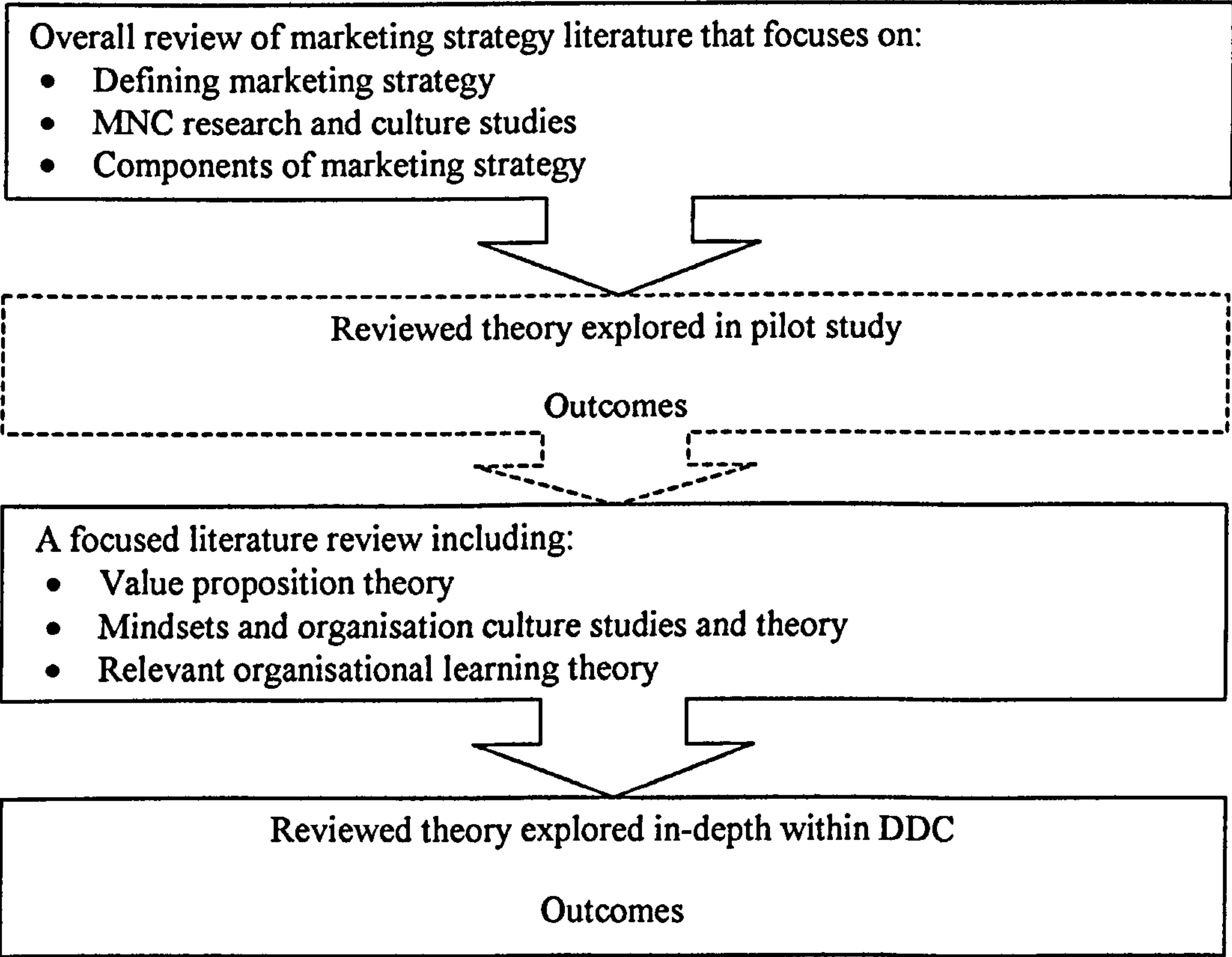
E.g. Decided marketing strategy or actual marketing strategy. The terms ‘decided’ and ‘actual’ are used to distinguish between the planned and the implemented. For instance, management may ‘decide’ on the marketing strategy that is to be implemented however this may differ from how it is ‘actually’ implemented.

**1.2 Literature review**

**1.2.1 A brief overview of the literature development**

The progression of the literature and the support of the pilot study are shown below in figure 1.1.

*Fig. 1.1. An overview of literature development*



### **1.2.2 First stage of literature review**

An examination of the marketing strategy literature is carried out. As well as drawing from this analysis an appropriate model of marketing strategy, weaknesses of market strategy research are highlighted. Limitations of marketing strategy theory are highlighted including the narrowness in focus upon marketing mixes to an over-concentration of descriptors of marketing strategy and planning at the expense of detailed provisions about how strategy is developed and implemented in the mindsets of organizations. Models of marketing strategy developed by Doyle et al (1986) are examined against more recent models including Piercy's (2002) strategic pathway. Comparison of these two models gives this study a valid framework of the components of marketing strategy to explore. Papers on this work have been accepted and presented at the British Academy of Management Annual Conference (Culling and Wright, 2002), the AMA2003 conference (Culling, Wright, 2003, see appendix C13 for paper), the AM2003 conference (Culling, Wright and Bradshaw, 2003) and the Academy of World Business, Marketing and Management Conference 2004 (Wright and Culling, 2004, see appendix C13 for paper).

### **1.2.3 Pilot study**

The objective of the pilot study research is to highlight and confirm findings of the first literature review, supporting the limitations of literature already found. Data is collected from the console industry via web surveys, telephone interviews and face-to-face interviews with both industry members and Microsoft Xbox UK. Outcomes of this research validate the research focus and highlight the value proposition as a key element of marketing strategy for UK-based subsidiaries. This confirmation allows the second part of the literature review to focus onto this area of marketing strategy.

### **1.2.4 Second stage of literature review**

A main outcome of this review is that other elements are found to be key factors in the value proposition's effectiveness: marketing mindsets and company vision. Rather than focus on marketing plan construction and the more functional aspects of the value proposition, it is concluded that the value proposition also impacts on the implementation of those plans i.e. how they are carried out. Therefore the influence of marketing mindsets and the company vision are acknowledged by this study.



Organisation culture and organisational learning theory is touched upon in the literature to inform and give structure to these elements. For example Senge's (1990) work on the shared vision and mental models gives a solid backbone to this field whilst Yeo's (2005) overview highlights more recent developments. Exploring the relationship of the value proposition, marketing mindsets and the company vision and their implications for marketing strategy in academia and business is therefore the objective of the case study stage of research.

### **1.3 Introduction to the methodology**

#### **1.3.1 Sampling for primary research**

As well as informing and developing the literature, the findings of the pilot research and the second literature review highlight that the console market is not suitable for the case study research. A different UK subsidiary is found that allows this study to achieve its desired outcomes. DDC (Dulux Decorator Centres) offers every desired characteristic; a market leading service-based subsidiary that would allow access to all levels. DDC is also chosen due to the underlying characteristics that it shares with the console firms; international brand, a business unit within a larger multinational, a strong company brand heritage and premium products with strong consumer focus. Also, between the two phases of interviews (see below), DDC launches and communicates their new company/corporate vision allowing the opportunity for an even greater understanding of its relationship on mindsets and the value proposition.

#### **1.3.2 Data collection and analysis**

In total, 34 in-depth interviews are carried out in the case study. This can be broken down into 2 pilot interviews (T5a & T5b), 18 first interviews (numbers 6-23) and 14 follow-up interviews (numbers 24-37). These face-to-face interviews are carried out at all levels of the organisation including; marketing, category management, operations, stores, the executive committee and with the Head of UK Operations. At least two interviews are carried out at each level for validation and the follow-up interviews are used to cross check, strengthen and enrich the data. Interviews are carried out using strict interview protocols and semi-structured interview technique with data being fully transcribed and analysed using Dey's (1998) process through NVivo software. This

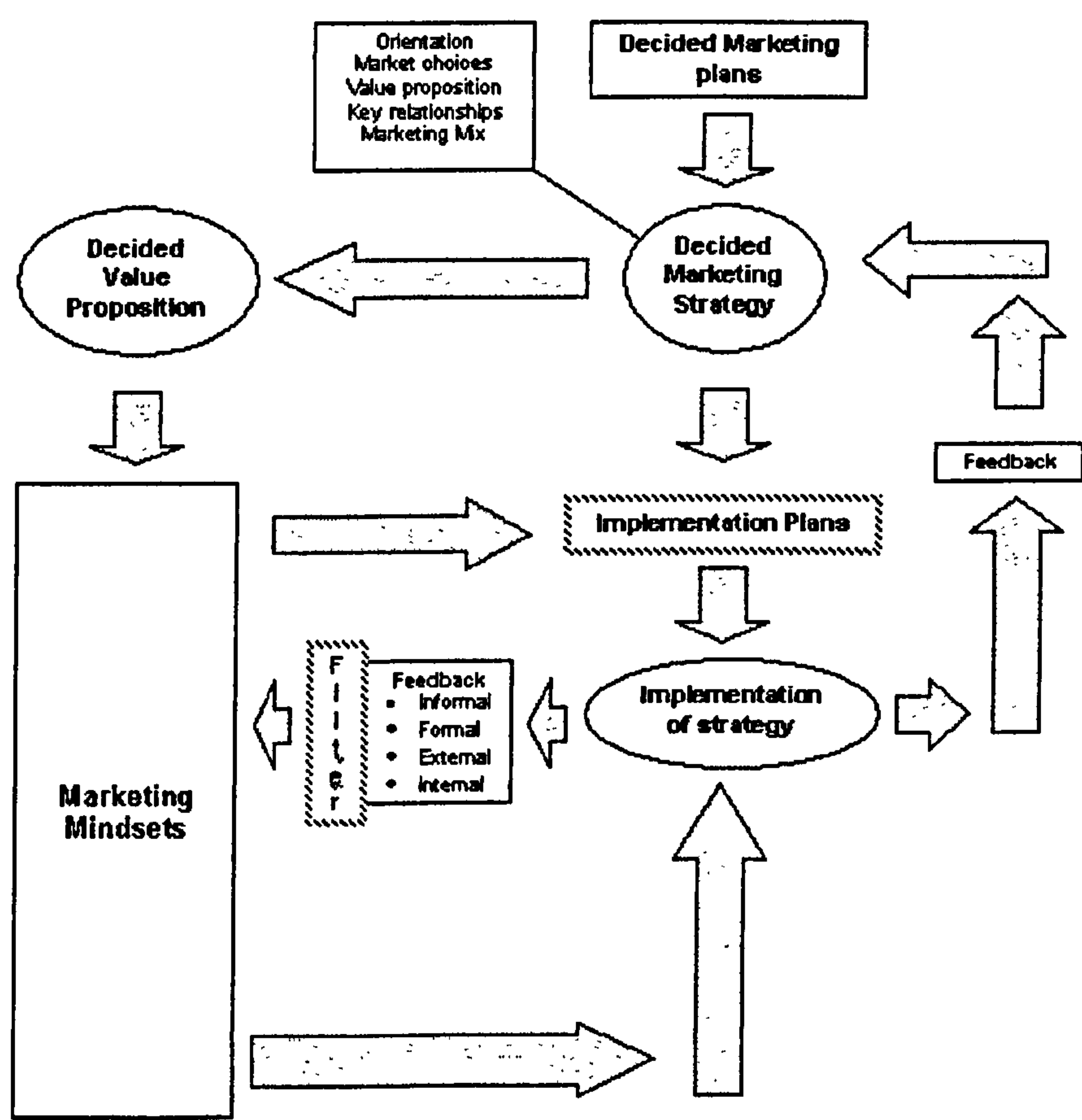


categorisation, splitting, linking and connecting method develops interaction models of the three elements; value proposition, marketing mindsets and company vision and implications for business are extracted.

1.4 Reflections, Conclusions and Recommendations

After individual analysis and discussion, all elements of the research are brought together. This allows insights to be transferred and overall conclusions to be produced. Recommendations for both business and theory are also given. Explanatory model 1 below (fig 1.2) is one outcome of this study that conceptualises holistically the systems of marketing explored in this research.

Fig 1.2. Holistic conceptualisation of the systems of marketing explored.



Clearly good marketing plans are essential for any business, but often overlooked is the way in which they are developed and implemented at lower levels within organisations.

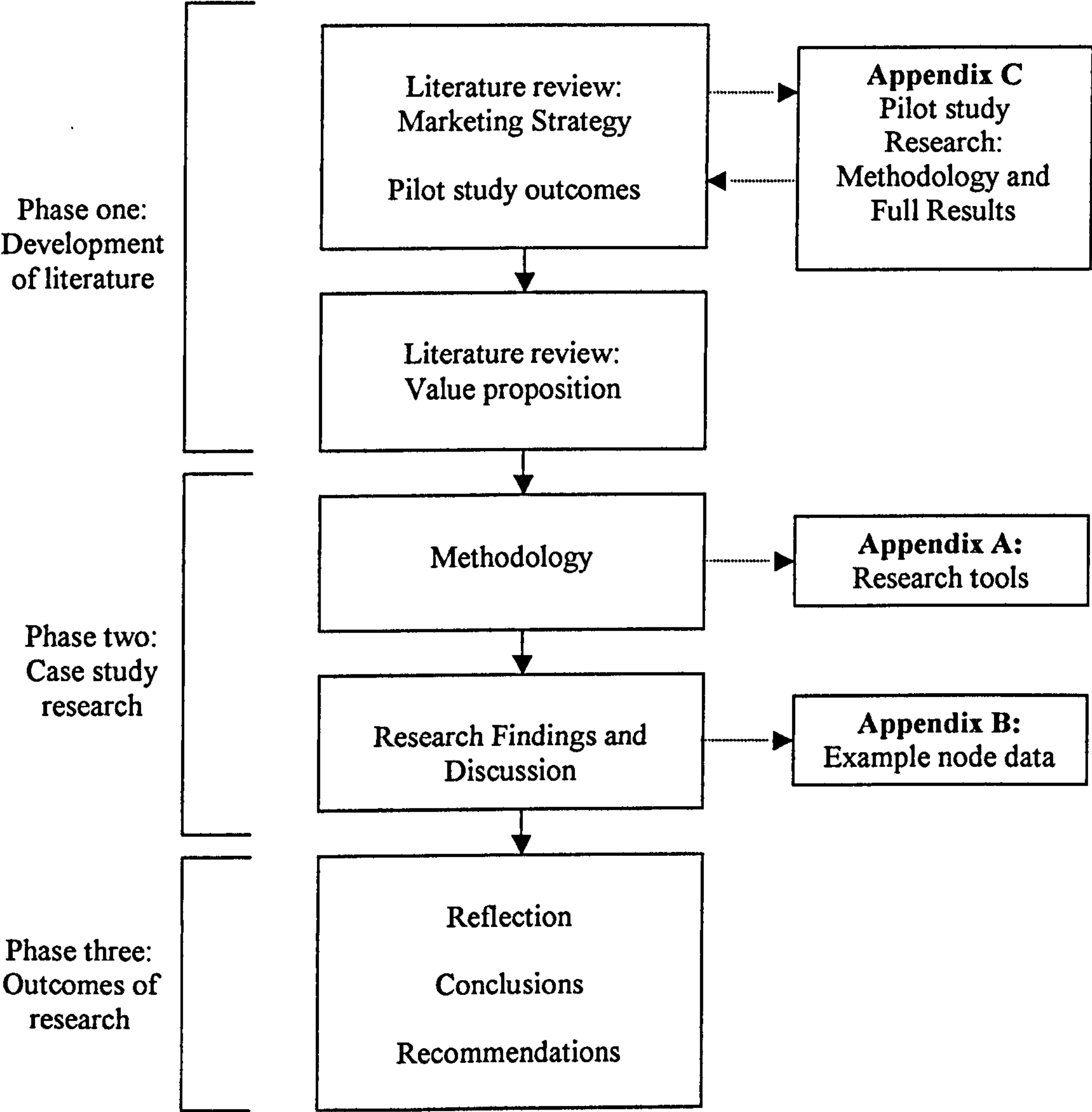
This can depend on marketing mindsets, which are in turn influenced by the value proposition itself. This double role of the value proposition means that it is not only key as an operational concept but its communication and implementation within an organisation can be critical factors in the success of the marketing strategy. The distillation of the vision, the value proposition and both personal and company drivers within employees creates a mindset with which they will plan and implement marketing strategy. The value of this key element of marketing is often placed behind more formal processes of strategy but the above findings highlight the importance of this to firms.

Rather than competitive advantage, this thesis illustrates that marketing needs to move forward to embrace the external and internal customer orientation as part of the core of marketing strategy. Therefore the value proposition should be used as the basis for marketing strategy development in organisations. Converting plans to actions is key (Piercy, 2002). This study views the value proposition as a key component of that process. Using the value proposition in terms of its planning and implementation to customers is not enough. Employees must engage with the value proposition and it also must drive them forward.

### **1.5 Introduction to thesis structure**

To give the reader familiarity and a full understanding of the structure of thesis the following section details its framework. The thesis can be broken down into three main phases. The first phase contains the development of the literature. This section includes the relevant findings from the pilot study (for full methodology and results of pilot study see appendix C). The second section focuses on the case study research including methodology, findings and discussion. The third and final part of the thesis brings the overall research together with a reflection on the contributions to literature, conclusions, and recommendations for both academia/business and for future research. The following figure (fig. 1.3) shows this structure of the thesis. All references are placed at the very end of the thesis and a more rounded bibliography is also then given. Node definitions and example data is contained in appendix B, other case study materials such as scripts and questionnaires are placed in appendix A.

Fig. 1.3. Overview of thesis structure



## **Chapter two: Literature review**

The following literature review is developed through two sections. Section 2.1 discusses marketing strategy literature, reviewing the construct and its components, giving international perspectives and developing a framework of marketing strategy for use in the pilot study. The pilot study highlights and supports the issues and limitations in the first literature review and allows the second literature review to build on the first. The second part of the literature review (2.2) focuses onto key elements of marketing strategy such as the value proposition and concludes with clear and focused objectives for the case study research. Model 1 is an outcome of this research and is used at the start of each literature section (figs 2.1 and 2.3) to highlight the area of marketing strategy focus.

### **2.1 First literature review: Marketing strategy**

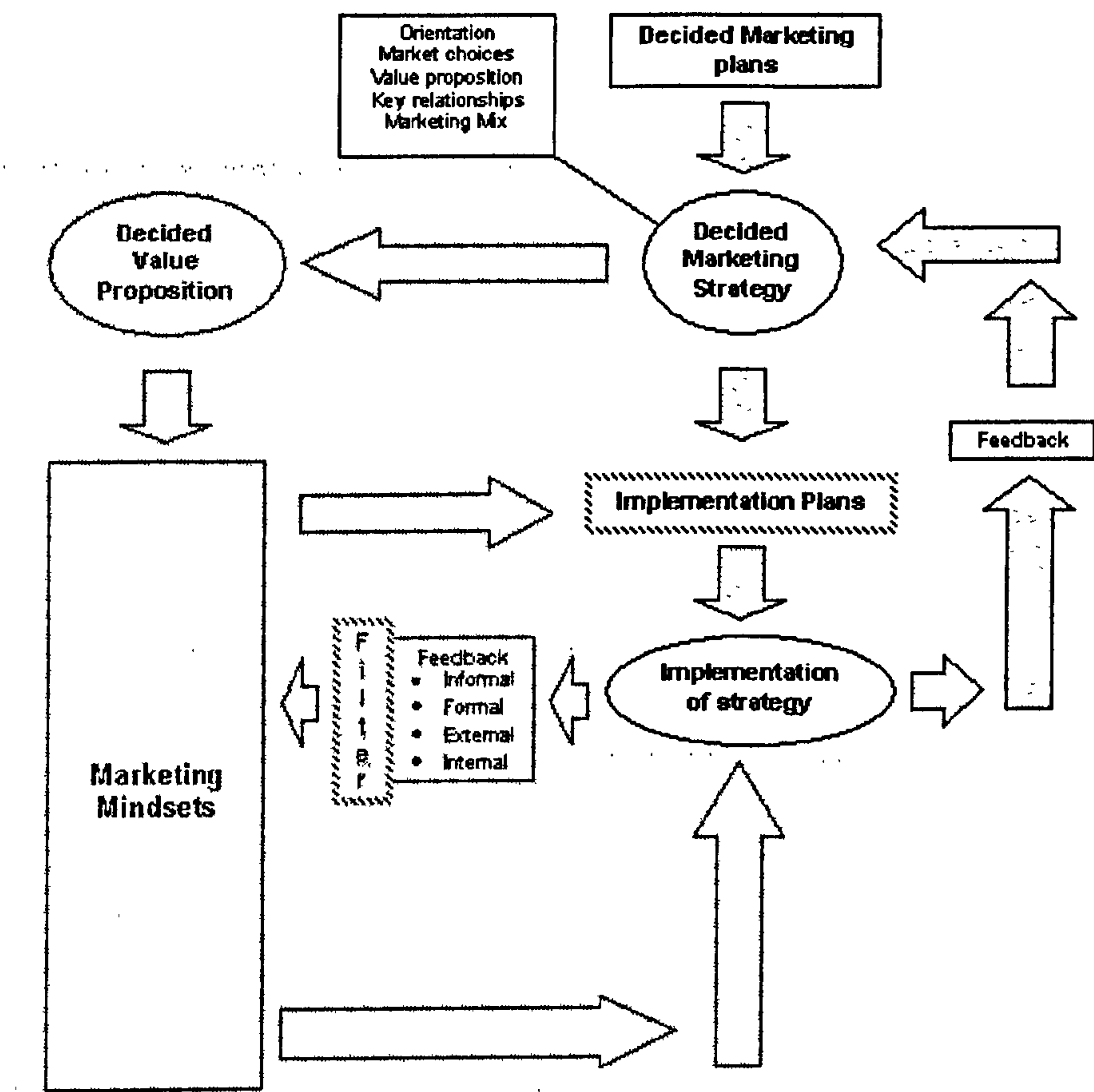
#### **Introduction**

The following literature review sets out the development of the theoretical pathway which evolved during this study. It begins by exploring the definition and development of marketing strategy with the inclusion of relevant international theory to highlight the basis for MNC's (multinational company's) marketing strategy theory. Components of marketing strategy are then discussed, from which a valid framework for research is derived to investigate the key findings in a pilot study. Finally research questions and outcomes from this first literature review are presented. See appendix C for full methodology and findings for the pilot study.

The following explanatory model (1) is an outcome of this study that conceptualises holistically the systems of marketing explored in this research. It is used here to highlight the area focused on (the right side) by the first part of the literature review and pilot study.



Figure 2.1. Focus of first section of literature review



### 2.1.1 Defining marketing strategy

The marketing strategy review below (table 2.1) highlights studies published within the marketing strategy field. While it is not meant to be an exhaustive list of all work, this includes studies that have been carried out and cited in a wide range of marketing publications and allows an overview of the developments within this field.

*Table 2.1. Marketing strategy review table*

Authors	Year	What they say
Burgelman	1983	The term strategy is a theory about the reasons as to why a firm is successful.
Thomas	1989	Marketing planning is the creation of long-term strategies based upon the sound analysis and interpretation of the relationship between an organisation, its customers and its competitors. Marketing planning sits uneasily in the corporate structure. Corporate planning had grown to maturity whilst marketing planning is still generally viewed as an operational function (Lorenz, 1985)
Yip	1989	Countries will be selected for their potential contribution benefits rather than their individual profit potential, the core product would be standardised with small adaptations to suit needs, marketing strategy could become more uniform with minimal adaptation and that competitive moves would be integrated and synchronised across countries. However Yip cautioned that a uniform marketing approach could leave the company vulnerable in such a competitive market.
Morrison and Roth	1992	Advocate regionalisation as opposed to globalisation as a better strategy. Regionalisation provides many scope and scale advantages of globalisation while permitting the organisations to exploit existing competencies
Mintzberg	1994	The Strategist is a craftsperson. Business is too complex and full of uncertainty and unexpected changes for a manager to be able to predict the future effectively. Strategists must retain the closeness, the sensitivity and the flexibility of a craftsperson, so the process of creating strategy becomes continuous and highly adaptive, with formulation and implementation being very closely linked.
Kale	1995	Even if convergence is occurring, in such a multicultural world, cultural heterogeneity will continue to remain the most significant barrier to one global market.
Alvesson and Wilmot	1996	The meaning of the term strategy is a loose one. It is often merely used to indicate decisions that are big and important
Lancaster and Massingham	1996	Strategies are ways of: building, holding, harvesting and divesting products.
Chee and Harris	1998	Strategies "define the way a business will be competing in the global market and will play a crucial role in determining performance in the international marketplace". Global marketing is inextricably linked to and constrained by the firms corporate global strategy. There are resource and market based options.
Ferrell, Hartline, Lucas Jr and Luck	1999	"Marketing strategy is just one part of strategic marketing planning. Strategic marketing plans should be customer orientated and should match an organisation with its internal and external environment."



McDonald	1999	Strategies follow objectives and are about the marketing mix
Mesdag	2000	Believes that global marketing is a particular form of international marketing which – in its purest form – does not exist. Its essence is that it covers a broad spread of the world’s countries and that it strives consciously to standardise its marketing strategy between those countries”. Goes on to say that “there is no such thing as a global marketing mix” and that a global marketing mix can only be realistic if there is room for adaptability. Indeed, Mesdag believes that “irrespective of whether a global or any other approach to international marketing is contemplated, it is prudent to assume that everything in the foreign market has to be done differently from the way it is done in the home market, unless hard proof to the contrary has been obtained”.
Jarratt, Fayed and Ramzi	2001	Describes how marketing is changing in the face of, technological advances, global competition, realignment of organisational processes, new rules of corporate strategy and outsourcing to access or extend organisational capabilities
Shaw	2001	Uses Doyle et al’s (1988) study, utilising mindsets and adapting the identified components of marketing strategy, to investigate the marketing strategies of UK subsidiaries of French and German organisations. Concluded that mindsets are a valuable research tool and that cultural differences did occur between these firms.
Sheth and Parvatiyar	2001	Believe that international marketing is undergoing a transformation to become integrated global marketing. The emphasis has shifted from understanding and explaining between country differences to identify transnational similarities and from country-by-country functional adjustment of marketing mix elements to seeking global cross-functional integration.
Eisenhardt	2002	Strategy needs to be simpler and more dynamic in reaction to the changing global environment
Piercy	2002	Strategy is not the same as strategic planning. Analytical techniques (e.g. BGM) aren't strategy. Strategy is not the same as operational efficiency. Strategy is about 'breaking free' from: an obsession with management tools, industry dogma, industry rules, the present, tactics, sameness and from hostility to change. Strategy involves market choices, value propositions and establishing key relationships.

The main outcomes of this comparison are that:

- There is a wide range of differently focused definitions
- As markets and businesses constantly develop it is paramount that marketing strategy does the same.
- International/domestic forces affect the implementation of marketing strategies

The marketing strategy review table shows that there are a large number of differently focused definitions of marketing strategy. Some take a theory-based approach such as

Chee and Harris (1998), whereas others use a more applied approach such as McDonald (1999) and Lancaster and Massingham (1996). Simply put, marketing strategy is how a company achieves its marketing goals and objectives. However, there are many different realities in which organisations work e.g. investments in marketing and product technologies, changes in expertise required and restructuring of employee workforces etc. Changes in such realities means that while traditional marketing explanations are helpful in establishing criteria for defining strategy, attention needs to be paid to how organisations 'do it'. That is, rather than explanations of 'why firms fail or what they need to do to succeed' more focus should be upon the 'hows' for operating to the required operational interfaces between the organisations and their marketing environments to make strategy work. Currently, the literature is lacking in a universally accepted model of marketing strategy agreed upon by most authors on the subject.

### **2.1.2 International perspectives on marketing strategy**

Due to the focus on MNCs an appreciation of international marketing theory is useful. This study's goals relate to marketing strategy of domestically based subsidiaries, however these are companies that also exist within their MNCs international environment. Studies that concentrate on the organisation of marketing strategy within such firms are discussed below with comparisons against domestic marketing strategy made.

#### **Consideration of international marketing strategy**

Many global and international marketing strategy texts (e.g. Jeannet and Hennessey, 2004; Hollensen, 2004; Cateora and Graham, 2005) emphasize the more tangible aspects of marketing strategy such as entry strategies, selection of markets and advocating marketing programs whilst assuming a reader's grasp of the basic understanding of marketing strategy theory. Some authors maintain a theory based approach derived from researchers' studies (e.g. Piercy 2002; Jeannet and Hennessey 2004; Cateora and Graham, 2005) about how a company achieves its marketing goals and objectives. In the global marketplace standardisation of marketing programs and products will result in competitive advantage and is regarded as the optimum global strategy. However, such delineations from different sources are limited by the problem of how organisations, in their changing circumstances, adapt and effectively make the



implementation processes work, given the constraints of the relevant organisations and their competitive business environments. A uniform marketing approach could leave a company vulnerable in the competitive marketplace (Yip 1989, Wright 1993).

There is a current and long debated issue of global marketing strategy integration versus responsiveness, despite insights into tangible aspects of marketing strategy such as entry strategies, selection of markets and integration of marketing programs as proposed by various sources (e.g. Ferrel et al 1999; Sheth and Parvatiyar, 2001; Eisenhardt, 2002; Hollensen, 2004). Insights into the organisational focus on certain aspects such as quality; cost containment, collaborative relationships and strategic alliances have also been given (Albaum, Strandkov and Duerr, 2005). Yet by focusing on well developed organisations and their long-term success in increasingly competitive global markets, researchers can also find that the 'qualitative' examination of marketing strategy such as value proposition, customer focus and product positioning may prove to be more critical than quantitative measurements of different aspects of short-term performance such as sales figures.

There is a relative scarcity of work that is up to date about the marketing operations of multinational companies (MNCs) and their processes of organizing strategic operations from headquarters to the national firm level, including implementation and control. Previous studies include, for example, Mintzberg (1994), Usha (2000), Dobni, Dobni and Luffman (2001), with conclusions that many firms have difficulty in navigating the strategy continuum and in particular, to convert plans into action on a sustained basis. Dobni et al (2001) offers explanations for marketing strategy failures where they are: (i) no longer the differentiators they used to be, being easily imitated and relegated to hygiene status; (ii) brilliant strategies that are not matched by implementation processes defined by traditional organisational boundaries and disastrous communications practices; and (iii) lacking recognition of employee contributions to strategy implementations. This work emphasises the importance of marketing strategy implementation and employees influence on marketing strategy success. Also that organisation culture (boundaries and communications) can impact on marketing strategy implementation.

Other authors (e.g. Ohmae 1985, Leong and Tan 1993) have agreed that organisational and structural changes affect the thrust of competitive strategy. Bartlett and Ghoshal, (1998) state that the multinational of the 1970s, with headquarters controlling subsidiaries, is obsolete and that it was the nature of the transnational organisation that had the most effective mindset. Kippenberger (2000) defines transnational companies as organisations that not only gain competitive advantage through combining global efficiency and local responsiveness, but which also learn to innovate on a worldwide scale. This is a very holistic viewpoint of global marketing, yet lacks detail about 'how' marketing strategy is affected by this shift in modern day organisation. There are some who have argued against a convergence of consumption patterns and see cultural heterogeneity as a most significant barrier to the global market (Kale 1995; Mesdag 2000).

### **Marketing strategy within MNCs**

In 1985, Kenichi Ohmae put forward the view that in a multinational corporation, headquarters has the dominant role and does all of the planning and control of marketing strategy and also argued that "the local operations of most MNCs tend to be shallow in terms of their ability to respond to differences in country markets". Kenichi Ohmae (1985) also coined the phrase "Multiregional Company" as a natural step in the evolution of the MNC. He believed that headquarters would become "extremely sensitive about the commonalities of the regions yet flexible about the uniqueness of the key marketplaces". Being flexible would infer that the locus of planning and decision-making has shifted to regional or even national centres. According to Hout et al (1982) a global industry pits a multinational firm's entire worldwide system of product and market positions against another's. In contrast to Ohmae's (1985) views, Hout et al states that various country subsidiaries are highly independent in terms of operations and strategy. Chang (1995) observes that in order to adapt their marketing activities to international markets effectively, multinational firms must understand the characteristics of the global industry in which they undertake businesses. A global industry is an industry in which a firm's competitive position in one country is affected by its position in other countries. Chang is, therefore, adopting a global perspective or mindset to marketing activities. Like Chang, both Bartlett and Ghoshal (1992) emphasises the need for a global view. These studies indicate the limitations in the



marketing literature that would appear to support the examination of the mindsets of MNCs and what balance is required with to cope with the problems posed by localisation.

### **International mindsets and culture: influence on marketing strategy**

Jeannet and Hennessey (2004) define a mindset as “the outlook or frame of mind that the marketer carries around the world”. Studying organisational mindsets is seen as a way of researching how marketing strategy is managed within a firm. The importance of the mindset is that it not only perceives how marketing strategy is organized, but also gives the perceived value of that marketing strategy. Following Perlmutter’s (1969) identification of the mindsets within international organisations (ethnocentrism, polycentrism, regiocentrism and geocentrism), a sizeable amount of research has been carried out on the cultural differences in marketing strategy in UK subsidiaries and the influences of their overseas headquarters on their marketing, especially between Japanese and American corporate HQs (Wright, 1993).

As far back as the 1970s, Young and Hood (1976) investigated the market entry strategies and market development plans of multinational organisations with subsidiaries (although focusing on the marketing mix rather than marketing strategy). Doyle et al (1988) researched the more qualitative aspects of the marketing strategies of UK subsidiaries of Japanese and American firms, such as differential advantage and strategic focus, concentrating on their mindsets of these operations. The findings that Japanese subsidiaries were more orientated to long-term market share and were market focused are supported by other studies such as Kustin (1993) who found that the Japanese have a greater holistic approach in their corporate philosophy rather than the more analytical approach adopted by many US organisations. Shaw (2001) used Doyle et al’s framework to investigate the marketing strategies of UK subsidiaries of French and German organisations. Findings included that German companies were found to pursue market-focused strategies with an emphasis on product quality. Their French counterparts adopted a more short-term orientation with a stronger emphasis on cost related strategies although both showed a high degree of ethnocentricity towards the UK market. Such studies indicate that through the exploration of marketing mindsets, the

organisation of marketing strategy by firms can be comprehensively studied, supporting their inclusion in this study's methodology.

This previous research has focused on UK subsidiaries of international organisations but there has been a lack of studies in the literature concerning how MNCs manage their marketing strategies within their business units in a national market, e.g. the UK operations department. Company mindsets rather than cultural mindsets may be a better way of exploring how marketing strategy is implemented.

### **Marketing Planning: Context and marketing strategy**

Thomas (1989) defines marketing planning as the “creation of long-term strategies based upon the sound analysis and interpretation of the relationship between an organisation, its customers and its competitors”. Kukalis (1989 and 1991) indicated that greater levels of environmental complexity were associated with more extensive planning, shorter planning horizons and more frequent plan reviews. Studies on this subject have differing conclusions. An early study by Burns and Stalker (1961) found that organisational structures with lower centralization and formalization characteristics were better suited to more dynamic environments. However Lindsay and Rue (1980) found that firms in more complex environments were more likely to use formal planning. Large firms in fast-changing environments were more likely than small firms to use formal planning and that large firms made efforts to tailor their long-range planning processes to their perceived environmental conditions. Supporting this equation of ‘highly dynamic equals high levels of planning’, Thune and House (1970) found that formal planning systems worked well in industries characterized by high rates of technological innovations and new product introductions. Lorange's study in 1980 found that new competitors, technological innovation and market structure changes would all increase the need for comprehensive planning, supporting Thune and House's (1970) findings. Grinyer et al (1986) added that firms with vulnerable core technologies (e.g. those in high-tech industries) needed more specialist planners and more sophisticated forecasting and evaluative techniques than did companies in stable technology industries. A recent article by Eisenhardt (2002) on strategy would appear to disagree with some of the previous literature concerning marketing planning. Eisenhardt (2002) argues that as markets become more unstable, dynamic and volatile,



(due to globalization and increased competition) strategy needs to become simpler in order to “capture and exploit promising opportunities or drop them rapidly if they fail to develop”. Since global marketing strategy is inextricably linked to and constrained by a firm’s corporate strategy (Chee and Harris, 1998), further or new studies could fill such gaps in the marketing literature by exploring whether these characteristics of strategies translate through to MNCs’ marketing implementations.

### **Summary of international marketing strategy literature**

- A domestically based subsidiary of an MNC must utilise its own marketing strategy within the context of international marketing strategy.
- International theory emphasises more tangible processes such as entry strategies, often assuming that ‘domestic’ strategy is carried out at an subsidiary level
- The organisation of marketing strategy in MNCs is an area of key importance within academia and business
- Mindsets of MNCs are an important part of their marketing strategy
- Studies have explored cultural differences within MNCs. However this does not take into account the development of company mindsets.

### **2.1.3 Components of marketing strategy**

A review of the literature highlights the need for a specific comprehensive framework so that marketing strategy can be conceptualised clearly. As previously shown with marketing strategy definitions, there are also many differing models or frameworks of marketing strategy and these include both domestic and international perspectives. Piercy’s (2002) domestically orientated model, attempts to give a prescriptive approach to developing and managing marketing strategy using a “strategic pathway”. This process includes customer focus and market sensing, market choices, value proposition and key relationships. Others support the use of these elements though differing in the terms used. Ferrel et al (1999) defines positioning strategy as part of marketing strategy and according to Brooksbank (1994) this is developed from the segmentation strategy, competitor analysis and competitive advantage elements of marketing strategy (although these findings are presented using just a single case) These have constructive meanings with which to examine the myriad views on the components of marketing

strategy that need to be synthesized in order to develop an accepted and coherent framework. The table below (table 2.2) highlights the different emphasis placed by international and domestic perspectives. Many of the international texts highlight more functional areas of marketing strategy such as entry strategies whilst neglecting more fundamental principles of domestic strategy such as creating value.

*Table 2.2. International and domestic perspectives of marketing strategy*

Author	Date	International or domestic perspective?	What are the components of marketing strategy?
Piercy	2002	Domestic	1. Customer focus and market sensing
			2. Market Choice
			3. Value proposition
			4. Relationships
Ferrell	1999	Domestic	1. Segmentation and targeting
			2. Developing the marketing mix
			3. Differentiation and positioning
			4. Product lifecycle issues
			5. Creating competitive advantage based on customer value
Hooley, Saunders and Piercy	1998	Domestic	1. Identification of target market
			2. Creation of differential advantage
Jeannet and Hennessey	2004	International	1. Choice between domestic, regional, multiregional and global marketing strategies
			2. Geographic market choices e.g. lead or 'must-win' markets
			3. Competitive global market strategies
			4. Develop global mindset
			5. Market entry strategies
Chee and Harris	1998	International	1. Global competitive marketing strategies
			2. Market entry decisions
			3. Market entry strategies
			4. Export management
Cateora and Graham	2005	International	1. Preliminary analysis and screening, matching company and country needs
			2. Adapting the marketing mix to target markets
			3. Developing the marketing plan
			4. Implementation and control

Research by others such as Day (1998) in drawing attention to what is meant to be market-oriented and market-driven by and for organisations is helpful. However, such



delineations from different sources are limited by the problem of how organisations, in their changing circumstances, adapt and effectively make the implementation processes work, given the constraints of their organisations and the competitive business environments that surround them. For example, Hamel and Prahalad expressed strong views about overseas competition, mainly from Japanese competitors and what American firms should do to counteract them in their 'Strategic Intent' published in the Harvard Business Review in 1989, but managing and competing for the future required account of changes needed (Hamel and Prahalad 1995). The view that further research is needed that is up-to-date and which takes account of changes in markets in the new millennium is, therefore, supported.

### **The core of marketing strategy: Competitive advantage**

Competitive advantage is seen as a key part of marketing strategy by many authors. According to Devlin and Ennew (1997) "the primary purpose of management and marketing strategy is to develop a competitive advantage". Brooksbank (1994) describes it as "*how* the business is going to compete in the marketplace" and goes on to argue that the essential factors of a competitive advantage are that it must be valuable to the customer and that it must be sustainable. Ferrell et al (1999) argue that competitive advantage should be based on customer value, supporting Piercy's (2002) view of his value proposition

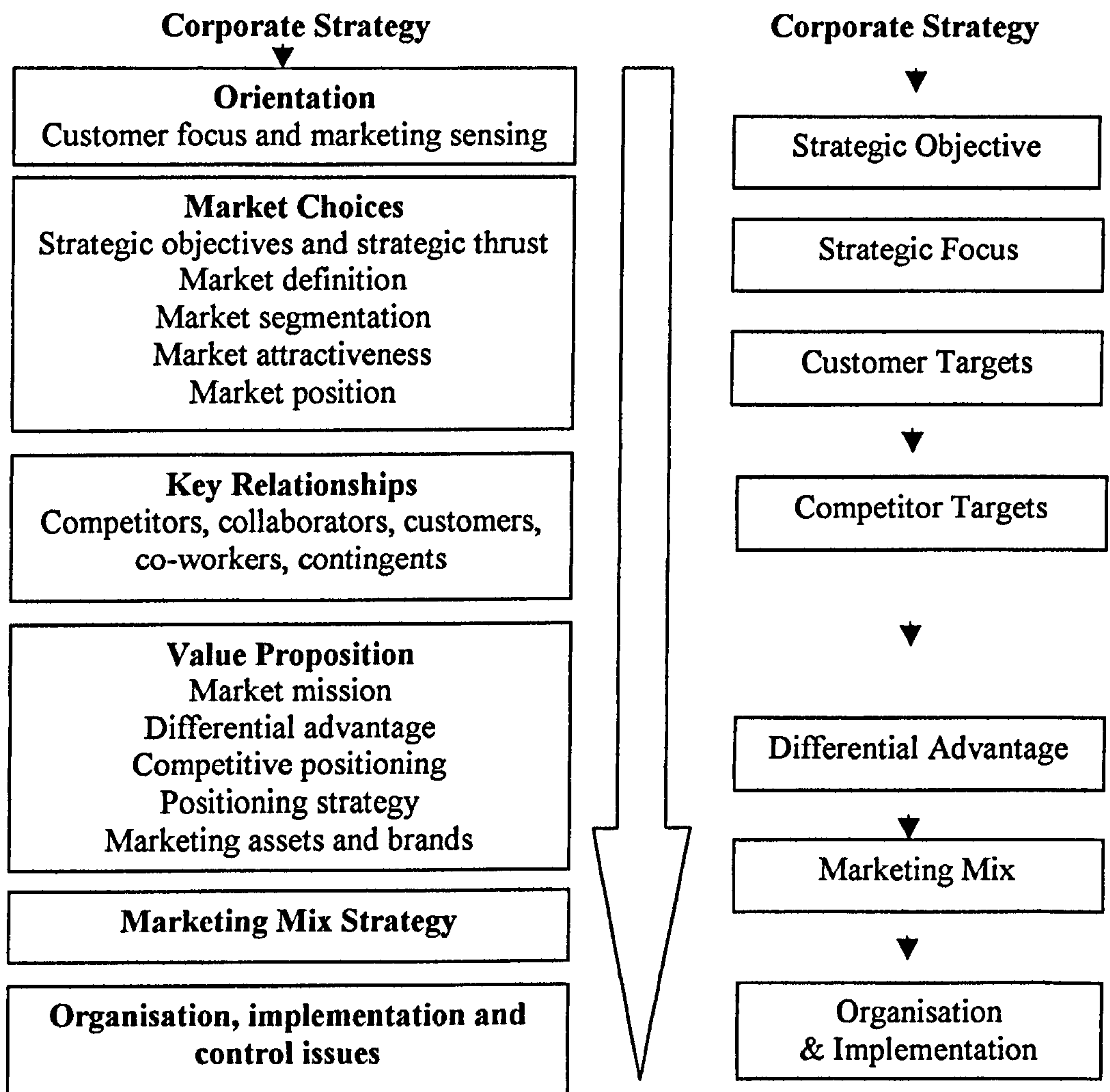
Brooksbank (1994) believes that "managers of successful companies always have a crystal clear understanding of their competitive advantage and use it as a blueprint for all marketing mix decision making". This simplifies the process of marketing strategy implementation but is useful in highlighting it as the core of marketing strategy. Chang (1995) says that a firm's success in international markets results from the competitive edge it develops and Albaum, Strandkov and Duerr (2005) believe that the strategy becomes both a magnet and a filter – a magnet in terms of pulling relevant information into the company and a filter in terms of converting that information into usable competitive knowledge. According to Haybyrne (1998) information used effectively is a tactical competitive advantage as well. In conclusion many academics believe competitive advantage to be the core upon which strategy is built.



## **A framework for research**

From their extensive empirical studies, Miles and Huberman's (1994, as cited by Perry, 1998) conclude that in qualitative study some form of prior research is important in order to build theory. Even though inductive in nature, this study needs to utilise a framework in order to give focus and structure. Yin (1994) argues that "theoretical propositions" need to be developed prior to study in order to guide the data collection and analysis. This study uses a brief pilot study (Perry, 1998) in order to develop a solid basis for in-depth research (see appendix C for pilot study details). Components and models of marketing strategy have been much debated and as concluded earlier many global/international marketing strategy texts emphasise the more tangible aspects of marketing strategy (Jeannet and Hennessey, 2004; Cateora and Graham 2005), which appears limited when focusing on well-developed organisations or markets. As discussed previously Piercy's (2002) domestically orientated model, offers a more applied approach to developing and managing marketing strategy. This framework is supported by earlier studies by Doyle et al (1988) in which a similar framework was used to explore marketing strategy. These two frameworks of marketing strategy are shown on the following page (fig. 2.2), with Piercy's "Strategic Pathway" on the left and Doyle et al's on the right.

*Fig. 2.2. A comparison of Piercy's (2002) and Doyle et al's (1988) strategic components*



Laying these frameworks side-by-side highlights their commonalities in terms of components and structure, as well as showing areas of marketing strategy theory which have developed since Doyle et al's (1988) study. For example 'Competitor Targets' has developed to encompass all possible relationships from which competitive advantage can be derived, including 'Collaborators, Customers and Contingents'. Also 'Differential Advantage' has been more tightly defined, adding positioning strategy, marketing assets and brands and competitive positioning, which all affect the "Value Proposition" as well. Therefore Piercy's framework is a solid and supported model that can be used in this pilot stage of research in order to validate the literature findings.

### **A brief overview of Piercy's (2002) "Strategic pathway model"**

Piercy (2002) argues that marketing strategy is about how to deliver customer value whilst also recognising that his pathway interrelates and that each stage re-evaluates the last. However there are limitations with this model. Piercy doesn't allow for contingency planning, reaction to competition and does not offer timescales.

### **Customer focus and market sensing**

Piercy (2002) believes that customer focus is a key part of strategy and that the foundation of strategy is an understanding of the customers, which in turn means that a strong flow of information is required.

### **Market choices**

Market definition should be constantly reviewed which may be especially important in such a dynamic market as the console industry. Piercy focuses on strategic segmentation, which concentrates on the customer benefits sought rather than merely managerial processes.

### **Value proposition**

Market mission is what the organisation stands for in the market place and it offers a very customer focused perspective to the company's positioning strategy. Piercy argues that "customer perception is reality...Customer value exists only on the customers terms and reflects the customers priorities and preferences". How this occurs, through marketing assets and differentiation is also included within the value proposition. In essence it is the value that is proposed to the customer.

### **Relationships**

The development of relationships with customers has been highlighted by many academics, but Piercy (2002) also includes relationships with Contingents (chains and media), Collaborators, and Competitors, arguing, "competition in the future will no longer be between individual firms but between alliances of firms".



### **2.1.4 Summary of first literature review findings**

#### **Marketing strategy definition and use**

There is a lack of up-to-date studies concerning marketing strategy implementation and adaptation in global markets. The development of marketing strategy must keep pace with the continued development and evolution of consumers, products and industries. Also there is a lack of consensus within marketing strategy literature. The focus on international or domestic strategy is one such concern, with marketing entry and global strategies being of little concern to localised elements of MNCs.

There are limitations in the marketing strategy literature from narrowness in focus upon marketing mixes to an over-concentration of descriptors of marketing strategy and planning at the expense of detailed provisions about how strategy is developed and implemented. Research on how marketing strategy is implemented is a key area for business and academics alike. Many academics (Mintzberg, 1994; Usha, 2000; Dobni et al, 2001; Piercy, 2002), find that many firms find it difficult to convert plans into action. This area of marketing is key at it is this which allows effective utilisation of such tools as competitive advantage and philosophies such as relationship management to actually occur.

In terms of the components of marketing strategy, again there is no clear consensus, however competitive advantage is seen by many academics as being at the heart of marketing strategy (Devlin and Ennew, 1997) with some academics arguing that marketing strategy is built upon this differential (Brooksbank, 1994). Determining which components of marketing strategy are key for business will be explored in the pilot stage of research.

#### **MNC research**

Research on how marketing strategy is organised and developed within MNCs is a neglected area. There have been many studies of cultural differences within different MNCs, from Young and Hood in 1970 to Shaw in 2001, which have focused on countries of origin or location and 'planning mindsets' rather than how marketing and implementation mindsets are developed within each company. MNC marketing strategy

can be influenced not just in its creation in marketing planning but by its transferences through people and a firm's internal systems and culture.

### **Methodological outcome**

Understanding the marketing mindsets of organisations is a supported way of investigating the successful development, adaptation and implementation of marketing strategies (Doyle et al, 1988; Wright, 1993). This means that in-depth interviews are a suitable tool of exploration.

### **2.1.5 Confirming the literature: a pilot study**

The following is a brief overview of the aims and outcomes of the pilot study conducted in order to support the first literature to allow a further focused, in-depth study of marketing strategy within MNCs. See appendix C1 for full methodological considerations (including research strategy, data collection, analysis of data), C2-C9 for examples of guide sheets and data, and C10 for full discussion of findings.

#### **Pilot research aims**

To use Piercy's (2002) strategic pathway as a framework with which to:

1. Investigate the marketing mindsets within multinational organisations (MNCs).
2. Understand how marketing strategy is organised within an MNC for an individual market.
3. Explore the relationship between MNCs headquarters and their subsidiaries in terms of the management and control of marketing strategy.

#### **Pilot research outcome goals**

1. Build a solid platform on which case study research can be developed, verifying both theoretical development and sampling suitability.
  - a. To verify key aspects of marketing strategy which are worthy of further investigation in the literature and the case study research.
  - b. To assess the console market's suitability for exploring the proposed aspects of marketing strategy (see appendix C10/11)



### **Theoretical outcomes of the pilot study**

The findings of the pilot study emphasis and confirm the limitations of the theory presented in the first literature review. Higher levels of the organisation than the UK subsidiary control much of the marketing strategy planning process. Market definitions, key relationships and the overall orientation are heavily confined by corporate strategies, however the implementation of the strategy is influenced at local level through management of the value proposition, i.e. what they stand for to customers. This is wider than merely the manipulation of the marketing mix, and is a strategic use of the value proposition, which the UK subsidiary uses to localise marketing strategy and therefore its role must be explored further. This focus on the implementation of marketing strategy will aid in filling gaps found in the literature.

Through using in-depth interviews this study concludes that there is a difference between the value proposition that has been planned by an organisation, the value proposition that is perceived by employees and the way in which the value proposition is implemented. From the discipline of relationship marketing, Palmer et al (2005) illustrates this by emphasising the crucial part that employees play in delivery of value. "Also important is the personal commitment of individuals to provide service, which may be variable due to misalignment of strategic intent, confusing communications, and ill trained and poorly committed staff."

Also the data gained from interviews comes from an individual's mindset and is in no way an objective view of the value proposition. This study must reduce this confusion by incorporating marketing mindsets into the case study research. Employee's perspectives, feelings and thought processes, which are in turn influenced by many factors, must affect the way in which strategy is implemented. This is supported by Dobni et al (2002) findings that marketing strategy failures are often caused by the lack of recognition of employee contributions to strategy implementations and also Bartlett and Ghoshal (1998) assertion that it is the effective mindset of an organisation that is the end goal of structural changes in MNCs. Cultural effect on companies has been studied in great detail by many authors (Young and Hood, 1970; Doyle et al 1989; Wright, 1993; Kustin, 1993; Shaw, 2001), but in this study it is the company culture itself, or its mindsets, which are important. This study will therefore not attempt to draw



external comparisons, but offer a closer view of an organisation's internal systems of how marketing strategy implementation occurs, whilst recognising that a company's mindset is unique due to the myriad of influences it faces. The research must continue to focus on how marketing strategy is carried out rather than descriptors

In summary, the pilot study solidifies the limitations in the literature. The relationships between the value proposition, marketing mindsets and the implementation of marketing strategy within subsidiaries of MNCs is therefore the area that is developed further in the second literature review and the case study research.

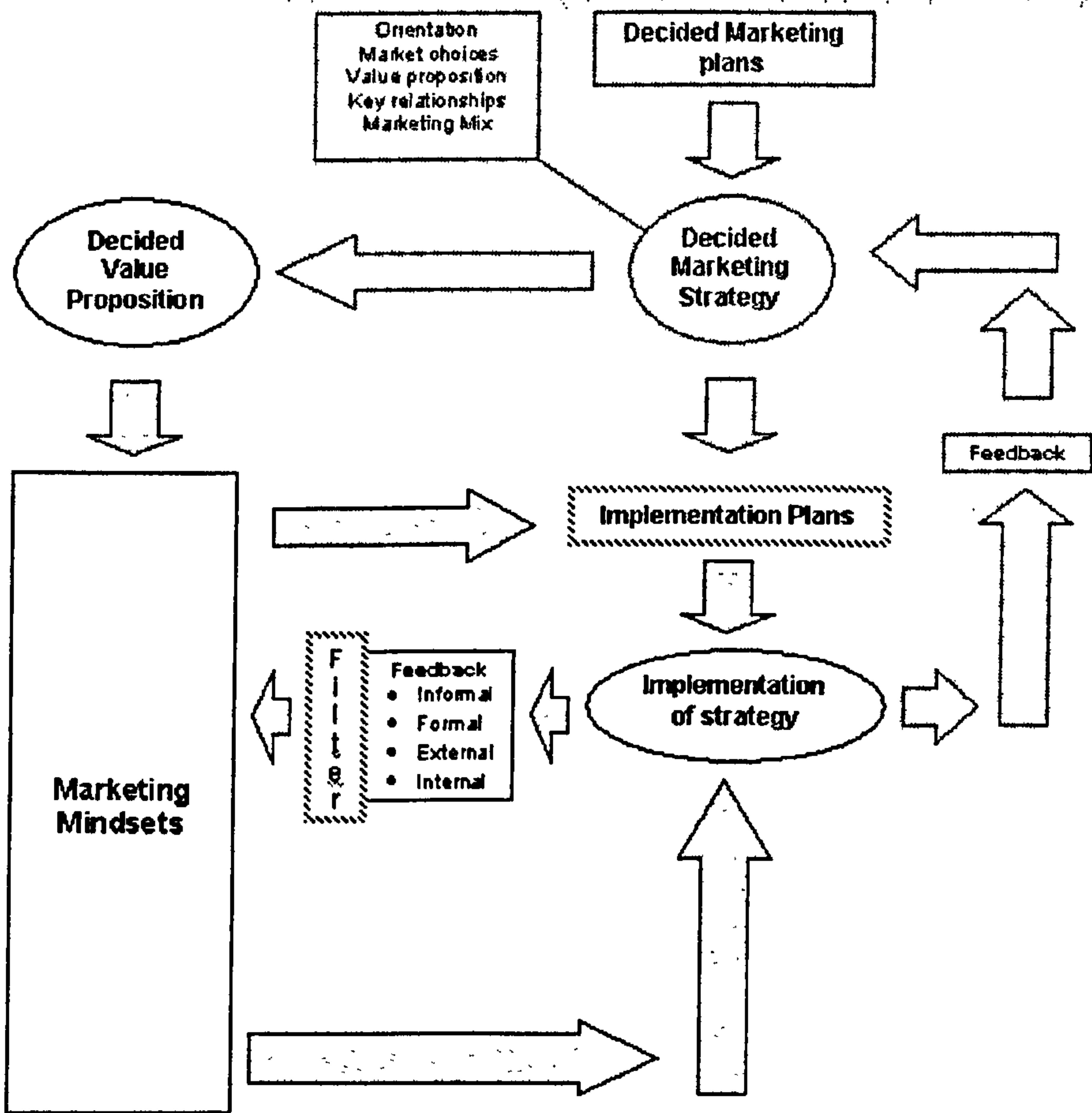
2.2. Second literature review: value proposition, organisation culture and organisational learning theory

Introduction

The first part of the literature review discusses and analyses marketing strategy theory and together with the support of the pilot research concludes that this study will focus on the implementation of the value proposition. The following literature review therefore builds on the first section by reviewing critical elements of marketing strategy theory. This section concludes with the case study research objectives.

The explanatory model below (1) is again used to illustrate the area focused on by the second part of the literature review (left side).

Figure 2.3. Focus of second part of literature review



### 2.2.1 Introduction to the literature

Over the past 20 years, a great deal of academic and practitioner interest has focused on relationship marketing (Lindgreen et al, 2004), an area which continues to be developed today (Palmer, 2002, Palmer et al 2005). This research has allowed high level management to develop highly evolved customer-centric marketing strategy or strategic marketing plans (Doyle, 1994) for products and services tailored to the market place and focus on customer retention rather than acquisition.

The system of value creation and delivery are areas of frequent interest to academia (for example, Lindfelt and Törnroos, 2006; Ho, 2006; Polese and Monetta, 2006), yet the process of transferring that value proposition from the drawing board to implementation has been criticised often (Mintzberg, 1994; Usha, 2000; Dobni et al, 2001; Piercy, 2002). Many texts have detailed the process of effective marketing planning, yet few include ways in which individuals who implement or even deliver the value are affected by their own value proposition and thus the way in which it is implemented. In practice, is it senior management's agreed strategic value proposition that is really delivered to customers? Senge (1990) shows where he believes the key area for success or failure lies. "One thing all managers know is that many of the best ideas never get put into practise. Brilliant strategies fail to get translated into action." This critical 'gap' between decided strategy and implementation is an area that requires further research.

As this study will be exploring the transference of the value proposition from strategy (executive) level to implementation (operational) level, the following literature review needs to consider two aspects. Firstly in order to understand how the value proposition is shared through an organisation, it must be explored at each structural level or key functional area. Thus (i) a supported definition and description of the components of value proposition must be constructed. Secondly, in order to explore the processes that aid and the barriers that hinder its flow (ii), the critical issue of implementing the value proposition must be addressed. In summary, part (i) is concerned with studying how the value proposition is shared throughout a company in order to develop an understanding of the company and to examine its influence. Part (ii) looks behind this data to investigate the organisational processes and individual systems that have affected part (i). In order to achieve part (ii) this review will not only look at marketing



implementation literature, but also explore how values and beliefs are communicated and effect mindsets throughout an organisation. This brings the research into the field of organisational learning and organisational culture development. These two disciplines will aid in underpinning the understanding of the value proposition (part i). Thus the following literature review firstly defines and explores the value proposition theory and secondly analyses relevant teachings from the organisational learning and organisation culture bodies of knowledge.

### **2.2.2 Defining the value proposition**

The idea of a 'value proposition' has been put forward by many authors such as Piercy, (1997), Walters (1999), Buttle (2000) and Alloza et al (2004). Walters (1999), in bringing together marketing and operations management, defines value as "determined by the utility combination of price and non-price benefits offered. It is a relative measure". Therefore there is no such thing as excellent service, merely better or worse, which suggests the development of value as a form of differentiation. Kotler (1997) believes that "buyers will buy from the firm that they perceive to offer the highest customer delivered value". It is the customer who determines this value, yet it is the organisation that usually creates and delivers it. Walters (1999) also believes that "an increasing application of value as a customer requirement has resulted in a corporate value proposition: a statement of how superior value is to be created and delivered". In other words the increase of emphasis on customer value has made businesses try to define their production and transfer of value to customers. This element of "superior", or being better than rivals, brings out the idea of the value proposition containing a competitive advantage, which in effect must play a role in focusing the workforce on what a firm does differently and better than others.

Other authors such as O'Dell and Grayson Jr (1999) use Treacy and Weirsema's (1993) definition of the value proposition. This views the value proposition as an advantage or asset of a company. Treacy and Weirsema (1993) proposed that, "to win, a company had to be quite good at two value propositions and better than any of their competitors at a third dominant one". This view fails to take into account the customers perceptions of what value is, instead using the value proposition as a form of competitive advantage, both internally ("leadership in product development") and externally ("customer

intimacy”) focused. O’Dell and Grayson Jr (1999) use this value proposition as statements of intent e.g. “Value Proposition #3: Boost revenue by reducing the cost of production, increasing productivity, and raising performance to new, highs”, rather than being the proposition of value to the customer, it becomes an internal proposition of value creation. This use of the value proposition is not appropriate for this study and is therefore not carried forward.

Walters (1999) discusses the role of value strategy and the value proposition. Whilst value strategy “involves identifying, producing and delivering the combination of price and non-price related benefits the customer is seeking”, Webster’s (1994) defines the value proposition as simply

*“... a statement of how the firm proposes to deliver superior value to customers. The value proposition is important both internally and externally. Internally it focuses everyone’s attention on customer requirements. Externally, it is the means by which the firm can position itself in the minds of customers. The value proposition should be the firm’s single most important organising principle”.*

The three key elements drawn from this definition are that the value proposition should:

- a) describe what the value is
- b) be defined in terms of the customer
- c) focus employee’s mindsets

However these definitions focus on the concept of the value proposition rather than how it becomes operationalised.

In McEachern’s (1998) six guiding principles to “convergent marketing” the value proposition is emphasised as delivering value to customers. This prescriptive and practical approach is useful in highlighting key marketing concepts but lacks theoretical rigour and support. In Alloza et al’s (2004) study of the BBVA the following definition of the value proposition is given. “The BBVA Experience is based on the strategic vision of the Group, which is the value proposition that the organization offers to all of its audiences, both internal and external. The vision is aspirational and serves as an internal point of reference for guiding behavior.” This “vision” for “guiding behaviour” appears to parallel the learning organization principle of a shared vision, discussed later in this review. The other key point of Alloza’s definition is that the value proposition needs to be something to aspire to and that both internal and external customers



therefore need to value it. The internal influence of the value proposition is therefore a crucial aspect to explore but also the bridge between planning the value proposition and having employees value it is not considered. As with all single cases, context is important and this study must take into consideration that Alloza et al's (2004) findings are based on a single financial case based in Spain with a Spanish/Latin American heritage. However it does give insight into a real-life business process with a heritage of success, adding to the usefulness of its outcomes and supporting an in-depth case study approach in exploring business issues.

Buttle (2000) supports Webster's (1994) definition and describes value propositions as "those multi-faceted bundles of product, service, price, communication, and interaction which customers experience in their relationship with a supplier". Buttle argues, "It is the customer's perception of the proposition that is important, not the supplier's. A supplier may believe it has a service advantage; if the customer fails to agree, then this is not a source of value", supporting Piercy's (2000) emphasis of the customer perspective which is therefore at the heart of the value proposition. In practice, the experience of the customer's relationship with a company is usually never with the marketing team. Therefore the value created here needs to be transferred to the contact point of customers. It is all very well planning great customer value in the marketing department, but if this is not transferred to customers, it is worthless.

Palmer et al's (2005) review of relationship marketing schools highlights the importance of how value is delivered particularly within services.

*"The value process is important, as the product is essentially service based and intangible. The perception of value by the buyer is important to the understanding of the value delivered by the interaction process; perceived value must at least equal the value that is sacrificed. The value process seeks to ensure that value is created and perceived to be delivered to the customer".*

(Palmer et al, 2005)

The delivery process is therefore key and any differences in the value between that which is proposed by management plans and that which is implemented, and therefore perceived by customers, could have serious implications for business.



In terms of value creation, Perrey et al (2004) assesses the value proposition in a more abstract manner. Rather than one grand and relatively meaningless value proposition for a whole organisation, Perrey et al (2004) argues that the value proposition for each business area should be “a summation of the propositions from the contributing business areas”, which are called “tactical value propositions”, but how is this process formally organised within firms? Perrey et al (2004) focuses more in terms of value proposition creation through such models as Porter’s value chain (1985) rather than its transference through organisation mindsets. Porter’s (1985) value chain in essence is a linked set of processes that allows companies to deliver superior value to customers and achieving superior performance. This chain covers a great deal of functions within an organisation and therefore, although a useful overview, is too broad a tool to be utilised in this study. Value chains are discussed further in section 3.2.7. Perrey et al’s (2004) work is of importance to this study as it utilises a single case study using a two stage interview process (firstly unstructured then semi structured) to “capture involved practitioners’ understanding of the issues and constraints”, possibly tacit information. Although the methodology may limit the transferability of outcomes it supports this study’s research strategy of attempting to capture tacit knowledge.

Piercy (2002) summarises the value proposition as what the company stands for in the market place (market mission) and what gives the company this capability (competitive differentiation and positioning and marketing assets and brands). Piercy also hints that the market mission should relate to corporate goals and mission “if it does”, suggesting a lack of co-ordination or synergy between the two in practice. Piercy (2002) describes the value proposition as simply “what value is to the customer”. Many definitions of the value proposition therefore emphasise a customer’s perspective, however this does little to clarify how the actual value proposition is managed.

The value proposition is crucial for any business in delivering value to customers. It is a shared idea or statement of what the company/product should embody in the customer’s mind and is of value to customers both internally and externally. This ‘guide’ appears to help focus employees and satisfy customers.

### 2.2.3 Components of the value proposition

In order to explore the value proposition, its building blocks must be defined. Woodall (2003) believes that “although each organisation’s/brand’s/product’s value proposition will be unique unto itself, generically it is likely to be made up from:

1. Goods quality
2. Service quality
3. Core product features
4. Added service features
5. Customisation
6. Other desirables”

Although Woodall’s (2003) work is purely archival, reliant on “the nature and cope of the sources encountered”, this is a useful list for firms of the resources from which the value proposition can be drawn, highlighting marketing assets and customer value, but it does not define actual components. However it does also highlight the individual nature of the value proposition to every company, supporting an in-depth approach to value proposition exploration. As discussed in the previous literature review a model that does attempt to define components of the value proposition is put forward by Piercy (2002) as part of his “strategic pathway”. Drawing on work by Eisenhardt and Sull, (2001), as well as Christensen (1997) and Constantinos (2000), Piercy argues that strategy needs to be simplified, clarified and be easily communicable and therefore devises the following four stage process of “going to market”:

1. Customer focus and sensing
2. Market choices
3. Value proposition
4. Key relationships

This model is used to structure the pilot study (see appendix C) whose subsequent findings support the focus onto the value proposition element of marketing strategy.

Piercy (2002) breaks down the value proposition into four further components:

1. Market mission
2. Competitive differentiation
3. Competitive position
4. Marketing assets and brands

These can be simplified into the following questions for businesses to ask themselves:



1. What do we stand for in this market?
2. What can we do to make ourselves different in the marketplace?
3. How do we use that difference?
4. What company advantages do we have?

Piercy's work on the value proposition reflects the definitions reviewed previously by showing the customers importance in assessing value e.g. "in this market", and contains components of marketing that have been devised, researched and studied by marketers for many years, such as marketing missions, competitive advantage, differentiation, branding and positioning strategy as discussed in the first literature review. Rather than researching each strand of the value proposition, this study can therefore utilise Piercy's (2002) model to simplify the research process. On their own they are significant areas of interest for a firm, however taken collectively they become crucial in what the firm delivers to its customers and this study attempts to add to this work by highlighting the internal process of value proposition implementation. This research can therefore use Piercy's (2002) grouping of these critical areas in a bid to understand the value proposition.

Piercy's (2002) inclusion of the marketing mission reflects Alloza et al's (2004) view of the shared "vision" and Walters (1994) assertion that it is "a statement of how superior value is to be created and delivered". That it needs to create a differential advantage through assets, brands and positioning is also supported by the above literature. As Piercy (2002) states, this model is "far from perfect...[but] provides a practical tool for defining strategic direction and positioning, and acts as a framework within which we can plan market strategy". The practical nature of this model means that it is an ideal framework with which to study real-life business.

Like Woodall (2003), Piercy (2002) admits that there is "no fixed format for what a value proposition should look like", yet the following elements are given as the factors that need to be taken into account.

- Mission
- Market definition
- Market segmentation



- Market attractiveness
- Differentiating capability
- Strategic positioning
- Marketing assets
- Brands

The outcomes of these factors can be seen as: who is our customer, what do we stand for in their eyes and how do we achieve this? These are the same questions produced by Piercy's (2002) earlier components of value proposition and validate this framework for studying the value proposition within companies. Piercy's model can be utilised to explore variation of the value proposition at different levels within the organisation and thus if and how it is being shared effectively. This aim introduces to the study the importance of employee perceptions of the value proposition and therefore mindsets, which are discussed in depth later. As stated earlier, this study also needs to explore secondary research questions: How does this happen and what are the barriers (both organisational and individual) and aids that influence this? In order to do this, implementation theory, organisation culture theory and learning organisation theory are reviewed in the following sections.

#### **2.2.4 Implementation of the value proposition**

Piercy (2002) argues that the importance that is given to creating marketing strategy is not given to its implementation. "If we separate strategy from implementation in how we run things then we create problems for ourselves. Traditional approaches do little to overcome these self-induced barriers to change. Quite simply, we need better ways of integrating strategy and implementation". By exploring the process of the shared value proposition, this study aims to reduce this gap between strategy and implementation. A great deal of Piercy's work in the 1990s focuses on customer-centric marketing through management implementation in a very practical sense. Piercy in 1994 advocated marketing customers to employees although this work was based on "discussions with executives held at workshops and similar venues over the past several years" and admitted to be "far from scientific research of the conventional type". In 1995 Piercy highlighted the dearth of practical guidance for managers on how to implement plans effectively using few theoretical constructs but many practical examples of success or failure taken from business and literature to illustrate key points. In 1996 (with Nikala

Lane) Piercy proposed that “It has been widely argued for the past decade or so that the critical issue faced in marketing practice is implementation and the organizational change that is associated with implementation, and the need to integrate better planning and execution processes” and put forward the case that “what is generally less widely available are practical, operational tools for managers to work on such issues in real companies”. Piercy admits that this work may lack “sophistication and rigour” however argues that this is the real strength of his work, that it is of use to managers and not merely understood in academia. This search for real-world marketing theory development is one area that this study attempts to add to through studying influencing factors in the actual implementation of strategy.

McEachern’s (1998) work on convergent marketing is a response to the lack of effective implementation following effective planning. “Senior executives in organizations across the country are taking these words [One-to-one marketing - customer-centric marketing - total relationship marketing] to heart. And, yet, true execution eludes most, if not all”. Many other academics have shared implementation concerns. MacStravic (1999) although utilising older theory such as Porter’s (1985) value chain, also emphasises that “one of the great frustrations in marketing services is that marketers may unwittingly (one would hope never deliberately) promise value that will not or cannot be delivered”. Palmer et al (2005) confirms that this gap between management and implementation in services should be of key concern to business. “Customer service faces a number of problems of implementation, such as the functional separation of marketing from logistics. The marketing department, on the one hand, is the service promise maker; the logistics function, on the other, is the service promise provider”. This gap between marketing, operations and the consumer can be explored through this study of mindsets and the sharing of the value proposition.

The distinction between the role of the value proposition in service and products needs to be made. MacStravic (1999) describes the difference in value creation for the two: “The product would be developed, and marketing communications strategies designed, around the product’s value dimensions. With service marketing, value is communicated first because it cannot be delivered except in the presence and with the co-management of customers”. Therefore although value proposition can be built around a product, its

core value is less directly influenced by the transference of the value proposition through employees' mindsets. In a product's value proposition, the employee mindsets would effect the planning of implementation rather than actual implementation itself. This evidence supports the use of a service-focused company as the case study in order for clarity in the exploration of "functional separation" (Palmer et al, 2005).

So why does this gap between operations and marketing occur within firms? Work by Masiello (1988) finds that:

- Most functional areas do not understand the concept of being driven by customer needs.
- Most employees do not see how their jobs have anything to do with customers or customer needs
- Most functional areas do not really understand the roles of the other functions in the company, so they have no basis for cooperation
- Most functional areas have little or no meaningful input to the market direction of the company.

These flaws within marketing implementation clarify Palmer et al's (2005) view and also reflect the lack of the learning organisation disciplines (Senge, 1990) of shared visions and systems thinking. The lack of overriding goals to create customer value and the narrowness of their viewpoint allows employees to see only snapshots of the company from their own position and not the total process they are involved in. Employee mindsets therefore are crucial factors in the gap between strategy and implementation. Stewart (1998) adds to this debate by arguing that "in an age of intellectual capital, the most valuable parts of those jobs are the human tasks: sensing, judging, creating and building those relationships". This focus on people can be taken on by this study as it explores the mindsets behind implementation.

The advantage to business of having committed employees is resonated by others who see the connection between strategy implementation and learning organisation theory. Pascale, Millman and Gioja (1997, as cited by Piercy, 2002) find that "the revitalization or transformation of a company may be in large part dependent on incorporating employees fully in the challenge to change the ways they deal with conflict and learning; leading differently to maintain employee involvement; and



instilling the disciplines that will help people learn new ways of behaving and sustain that new behaviour”. This emphasises the need for marketing strategy to utilise the implementation ideas of learning organisation theory and supports their inclusion within this research.

Garret’s (2000) work emphasises the influence of individuals mindsets on the implementation of marketing strategy. In terms of barriers to implementation, Garret (2000) simplifies how employees can react.

Table 2.3 Garret’s (2000) barriers to implementation

		Energy	
		Low	High
Understanding	High	The ‘yes...but’s or malicious obedience	The ideal
	Low	The dinosaurs	The dangerous enthusiasts

This model indicates that it is not just the understanding or awareness of the value proposition that is vital as Masiello (1988) suggests. It is also their engagement with the value proposition, something that is reflected in the learning organisation literature (see section 2.2.11). However Garret’s (2000) model is limited as it serves as a description of mindsets and not a practical tool that can aid business in developing mindsets. Piercy (2002) also echoes learning organisation theory when he states that “Real commitment to improving the process of going to market must involve a managerial duty of creating the culture and conditions necessary to permit strategic change to happen”. The process of this creation will be studied in a practical sense so that firms can benefit from this study’s outcomes.

Piercy (2002) discusses the barriers to implementation of marketing strategy.

- Separation of planning from management
- Hopeless optimism
- Implementation is recognised too late

- Denial of implementation problems
- Implementation bolted onto the end
- Fixation
- Implementation is a black box

Many of the above barriers (as well as Garret's (2000) model before) relate not to organisational processes or structure but to the individual's mindsets. Mindsets can therefore be seen as barriers to implementation and business must take account of this when planning marketing strategy.

As the above work has demonstrated, although the creation of the value proposition is an important step in the marketing strategy process, of equal importance is the way in which the value proposition is implemented. However, between these two steps the value proposition must be shared through employees particularly in service focused organisations. At each stage the conduits (i.e. the employees) through which these ideas and values flow can influence, both explicit and tacit, negative and positive, how much of the original strategy is implemented and in what manner. At each stage there can be barriers and aids to this transfer as discussed above and even if compliance is given to the strategy, the learning organisation theory (Senge, 1990) raises the question of whether people will be enrolled and committed to the value that is being transferred. How the value proposition is shared through the organisation and in turn how mindsets are influenced and who themselves influence its implementation is an area that is of importance to firms and needs to be studied in more detail.

### **2.2.5 Marketing and organisational culture**

As well as utilising the organisational learning literature in section 2.2.11 to underpin this study's use of shared visions, mindsets and company culture, there has been a great deal of research, particularly in the 1990's on these elements within the field of marketing. Much of the relevant work is from the study of organisational culture.

As an introduction to values and culture the following extract from Hofstede's (1981) early work on organisational culture is used to give clarity to these constructs.

*"The learning and transfer of collective mental programs continues through life. The key constructs are values and culture. Values are programmed early in life; culture*

*determines the identity of a group of people. A system of societal norms, consisting of value systems (i.e., mental programs) is shared by most of a population. Most mental programs are affected by values and culture. Culture also affects organizations through: 1. influence on distribution of power, 2. influence on the values of dominant coalitions, 3. values of nonelites, and 4. values of nonmembers."*

So how does this study relate its concept of mindsets to Hofstede's (1981) definition of culture? Mindsets are useful abstract additions to the use of culture as they can be both individual and collective as well as influencing collective culture and being influenced by it.

### **2.2.6 Development of organisational culture**

Work by Coles (2003) highlights the more practical uses of academic research into the mission, vision and values of businesses. Coles explains how Thomas Cook proceeds through two stages of development. Firstly their mission and vision is defined and communicated from the top down and secondly from these, supporting values and behaviours are developed from both the bottom and top of the company. These elements were used by Thomas Cook to "unite 28,000 employees behind one brand" and Coles argues that in this case the process was successful. Using work by Miller and Ginsberg (1992), Coles (2003) work, focuses on aligning employees mindsets emphasising key processes such as face-to-face communication and empowering employees to make decisions. These management tools can be seen as mindset drivers i.e. they help to align more narrowly defined mindsets. When developing a practical model as a summary of this development, Coles (2003) describes "three fundamental strategic drivers, namely our offering, our organisational direction and our competitive advantage". The value proposition could be used to encapsulate the first and last strategic driver, whilst organisational direction must be part of the overall corporate strategy (vision) rather than marketing strategy. In summary Coles (2003) account of Thomas Cook, although lacking in theoretical depth and written anecdotally, highlights the relationship between value proposition, mindsets and company vision and supports their further exploration.

Lee's (2004) framework for evaluating customer service policy highlights both the need for customer orientation and the impact that organisational culture can have on its implementation of strategy in a service orientated firm. However Lee's framework describes the theoretical processes behind this flow, focusing on customer service



development rather than its transference to employees and the effect of mindsets or organisational culture upon it. Hence it is used as a customer service planning tool rather than aiding in this study's exploration of the process of its implementation.

### **2.2.7 The importance of employee mindsets**

Harris (1998) usefully debates and brings together the ideas of organizational culture and marketing orientation in a synthesis of literature. A number of propositions explaining how market-oriented culture can control the wider organizational culture are given, supporting the value proposition as a key construct that could influence mindsets.

Porter (1996) argues that "the essence of strategy is choosing a unique and valuable position rooted in systems of activities that are much more difficult to match." and shares the view that a shared value system is one such system. Slater and Narver (1994) agree and conclude, "a business's opportunities for success will be maximized when all organizational members recognize that they can contribute to creating buyer value and are motivated and empowered to do so". In order for employees to feel that they "contribute to creating buyer value" they must first understand the company's value proposition. This research therefore can build on this work, as engagement with the value proposition would satisfy Slater and Narver's (1994) key business goal.

Slater and Narver (1995) through a comprehensive review of the literature confirm the view that marketing, because of its user's characteristics, can be a positive drive in the creation of a strong organisation culture, "Because of its external focus, marketing is well positioned to appreciate the benefits of market-driven learning and be the lead advocate of the market oriented, entrepreneurial values that constitute the culture of the learning organization". Management must develop a culture by developing within employees an engagement with the organisation's goals and values i.e. where it is heading and what it stands for in the market. This study investigates the value proposition as a key area in which marketing can influence employee's mindsets and develop shared values.

Gratton and Ghoshal (2005) work on going "Beyond best practise" uses a five year case study to research "companies that had demonstrated superior performance" and a two

stage research process involving in-depth interviews with both executive committee and “executives in different functions and at different levels, including the operating-level managers who actually were involved in day-to-day activities”. Validation of results is managed through a shared interpretation of findings from both participant and researcher. The strength of Gratton and Ghoshal’s (2005) study is apparent in its depth and complexity and supports key elements of this study’s research strategy.

Gratton and Ghoshal (2005) findings highlight the way in which management must develop this relationship between a company’s employees and its goals and values. “Savvy executives recognize that a company’s core organizational and operational processes are crucial to realizing its competitive potential. These organisational processes integrate the goals of the business into its employees’ day-to-day activities via routines”. This integration of day-to-day processes with longer-term goals must be open and honestly conveyed in order to build trust with employees, something argued from a human resources perspective by Rucci et al (1998), who retrospectively examine Sears as a successful single case study. This means that employees must be engaged with a company’s aims for effective day-to-day working. Ballantyne (1994 as cited by Palmer et al, 2005) reflects the need for this overall alignment of mindsets within organisations by referring “to employees who have no comprehension or lack of engagement with strategic intent of a company as “lost clusters”. They may be capable staff but they are less effective due to their lack of long-term alignment with an organisation. Peters and Waterman’s (1982) earlier work emphasised the importance of people, arguing that in successful companies, employees should be its key asset. The mindsets of employees can be therefore said to be a crucial component in realising competitive potential. This study’s exploration of how the value proposition influences this day-to-day or long-term mindset will therefore be of key interest to business.

Trim and Lee’s (2004) work, although focusing on action research within companies, describes how the management bodies of human resource management and marketing academics overlap in their fields especially if the service itself is delivered by people. Trim and Lee argue, “the quality of marketing staff and their support staff are key factors in determining the type and amount of business that will be secured. It is not surprising to learn, therefore, that to achieve a specific marketing objective(s), staff



need to be adequately trained and motivated, and the necessary leadership and reward systems need to be in place". This idea is helpful in emphasising the importance of the people within the delivery of marketing strategy, but is also one that needs much closer attention. The support staff may actually create and deliver the value itself through their own knowledge or skill and although motivation is mentioned, it does not go into details such as the role of mindsets, how leadership affects the company culture and how marketing processes, such as the value proposition, influence implementation.

Work on marketing chains and channels is of relevance to aligning mindsets. Walters, (1979) and Buzzell and Ortmeyer (1995), although focusing heavily on manufacturer-retailer relationships, argue that channels must deliver value and in order to do so need to increase information flow and develop relationships and understanding between them. Siguaw et al's (1998) study of supplier-distributor relationships and Dyer et al's (1998) cultural survey of 453 automakers in the US, Korea and Japan, emphasise that the use of a marketing orientation by members of the value chain, aligning their mindsets towards the customer and indirectly developing shared values between them, reflecting Slater and Narver's (1995) positive views of marketing being a basis for a strong business culture. McIvor and McHugh (2000) use of a single exploratory case study, creates generalisable issues, but it does resonate the above view of channel management arguing that establishing "collaboration supplier buyer relations" through required organisational structure, culture and behaviour modifications, is important for business. The idea that value flows through the multiple company marketing channel and that closer alignment of values and company orientations will allow that value to travel with less impediment and may actually strengthen it, can be transferred to a more micro level of marketing within one company. The flow of value from senior management at head office, through functional areas of the organisation, to operations and customer facing employees will again be influenced by the alignment of orientation and therefore mindsets of both individuals and areas of the company. This study's exploration of this 'flow of value' would add to the understanding of Palmer et al's (2005) functional separation discussed earlier.

Young's (1989) work highlights the importance of intra-group interests in his definition of organisation culture, whilst Schein (1996), through a review of the culture of



management literature, supports the view that “a lack of alignment [and understanding] among the three [functional] groups can hinder learning in an organization” and later (1999) attempts to highlight the problems involved in adapting mindsets or “cognitive redefinition” within companies. Although Schein’s (1996) and (1999) work is helpful it highlights unclear areas to academics rather than having clear outcomes itself.

Hofstede (1998) found that “perceptions of organizational practices did not form recognizable clusters at the level of individuals, but only at the level of organizational (sub) units”, again emphasising the forming of areas of mindsets within organisations. The above studies also highlight that through alignment of orientation or culture, many efficiencies in working practises can occur and that clear communications are a key part of developing shared mindsets.

### **2.2.8 Company mindsets**

Company mindsets are defined by this research as the elements of individual mindsets that are shared through the organisation. Thus the stronger the company mindset the more aligned individual mindsets are. The transfer of knowledge is a key feature of all the previous studies work on learning and developing shared values and therefore aligning mindsets. In work defending Japanese management practises, Mourdoukoutas and Papadimitriou (1998) highlight the importance of strong culture within Japanese organisations and that the development of shared knowledge is a key factor in their success. Lee (2004) reiterates this importance of culture to an organisation. “A defined organizational culture can provide the necessary leadership that ensures that staff attain high levels of performance”. This highlights the notion that leadership is essential in a firm and that the culture can provide leadership rather than strong leadership developing a strong culture. However, Platts and Yeung (2000) through literature analysis and an emphasis on “hypothetical situations” rather than any primary research, argue that for too long explicit forms of organisational learning have been focused on, overlooking more tacit knowledge which is “often either not considered or thought of as too soft or intangible to manage”. Tacit knowledge is summarised by Platts and Yeung (2000) as simply “knowledge that has not been articulated”. The transfer of knowledge as behaviour, through demonstration, and its relationship to explicit sharing need to be explored further. Therefore through tacit knowledge transfer every organisation will be

unique in its mindsets, as it will be transferred through employees. This mirrors Woodall's (2003) assertion (section 3.2.3) that every organisation's value proposition is different and could highlight a similarity between the type of knowledge i.e. that the value proposition could be transferred implicitly too. Although coming from different disciplines, Young (1989) (focusing on meanings within organisational culture), and Allaire and Firsirotu (1984) (developing strategies for radical corporate change), both support the ability to differentiate companies by their values and mindsets.

### 2.2.9 Mapping the mindsets

The Oxford English Dictionary (2005) defines a mindset as "An established set of attitudes, esp. regarded as typical of a particular group's social or cultural values; the outlook, philosophy, or values of a person; (now also more generally) frame of mind, attitude, disposition". Whereas from marketing perspective, Jeannet and Hennessey (2004) simply define a mindset as "the outlook or frame of mind that the marketer carries around the world". Although useful definitions, these do little to infer the impact or importance of mindsets within businesses.

Mental models proposed by Senge's (1990) organisation learning work are discussed in depth further on in this review. Mental models are used by this study, as they are a way of exploring how an individual perceives their work within an organisation from an organisational learning perspective. Using the broader term 'mindsets' allows this research to include these mental models as part of the way in which employees think but also to include other organisation learning constructs such as system thinking and shared vision. Also as discussed before, the use of mindsets will allow the cognitive element of organisational culture to be explored. The use of mindsets will also allow the inclusion of actual value proposition and other marketing elements. Harrison et al's (1994) study of mindsets influence on change within the NHS uses the following simple definition.

*"The term mindset is a general description of the individual's and the organisation's way of thinking about itself – its purpose, its environment, its performance and capability. It relates to the style of thinking and perceiving used by individual managers and therefore the style or culture of the organization which affects the way it manages itself."*



Therefore the term mindset that will be utilised in this study is defined as:

The distillation of an employee's set of attitudes, values and perceptions toward their organisation, which collectively create and interact with a shared company mindset, determining how individuals develop, manage and implement marketing strategy.

The author does not assume that the above statement is definitive, however its usefulness is in illustrating the intrinsic link between company and individual mindsets and that mindsets have influence over the development and implementation of marketing strategy.

#### **2.2.10 The importance of mindsets**

Work carried out by Harrison et al (1994) emphasises the stage after business planning, that of creating competitive advantage, through both “developed marketing” and a “healthy mindset”. In this case they were of the belief that “an adaptive cognitive style is necessary to allow constant reframing within the dominant paradigm or even reframing of the paradigm itself”. This research focused on mindsets in relation to change within organisations, in particular the NHS and therefore concluded that mindsets need to be adaptive to change and not allow mindsets to distort and limit manager's views of the company both collectively and individually. This research is relevant to this study as it brings together the concept of mindsets influence on marketing processes and although only utilises basic marketing concepts it highlights the problem that “managers frequently view the production of a business plan as an end rather than as a means” (Harrison et al, 1994), therefore supporting this study's focus on implementation and also its usefulness to real-world business.

The further away, in terms of filters and chains of communication, individuals are from the company vision, the less impact it could have on them. If the company vision is passed through other employees mindsets then filtering and editing could occur. Developing shared mindsets (or a company mindset) is crucial (Buzzell and Ortmeyer, 1995; Slater and Narver, 1995; Sigauw et al, 1998; Piercy, 2002) and it is of importance for this study to investigate the methods used by management in its creation. In order for the implementation of the actual value proposition to effectively reflect the planned



value proposition, mindsets at each level of the organisation should share this element even if from differing viewpoints. Exploring mindsets of many different employees will allow an understanding of the organisational mindset that has developed and whether this is the mindset which management aims to create.

As well as exploring mindsets the actual point of investigation will be mindsets themselves. In-depth interviews with employees allow a close examination of mindsets even though this would be studying the verbal outcome of the mindset rather than behavioural outcomes. Thus the tacit data (as argued by Platts and Yeung, 2000) must be carefully elicited from participants during research.

### **2.2.11 Organisational learning theory and its relevance to the research**

Yeo's (2005) review of the 1990 to 2004 literature, although not exhaustive, offers an up-to-date and concise synthesis of the learning organisation literature, from its emergence in the 1960s and 70s through the challenge of change within organisations, to the current view that systems thinking could be the unifying force that can adequately account for the complexity of dynamics in organisational learning. Yeo (2005) uses Braham's (1996) and Murray's (2002) work in this field to conclude that "The learning organisation is concerned with the process of gaining, sharing and utilising the knowledge accumulated by individuals and transferring it through the organization in order to meet its strategic goals". Clearly this process mirrors that of the research focus, the transference of the value proposition through an organisation's mindsets. Although Senge's (1990) fifth discipline work is used as the core of the analysis, Yeo (2005) helpfully reviews a range of definitions of learning organisation and states "These definitions are linked by a common theme – viewing organisational learning as a driver of organisational performance and competitive advantage. This theme reinforces the earlier view that as members learn collectively, they (as an organisation) will react more strategically to external challenges and perform better than their competitors". This supports the organisation culture findings that collective thinking or a shared mindset can aid in the success of a company.

### **2.2.12 Models of organisational learning**

Senge's (1990) five disciplines of the learning organisations are a solid foundation for research. Yeo (2005) highlights that academics such as Bukler (1996), Reynolds and Ablett (1998) and Steiner (1998) have built on this theory and it has been used as "catalysts for the development of tools that aim at providing a practical theory of the learning organisation with specific applications". Senge's model is a solid and strongly validated tool for this study to use, supported by Yeo's (2005) statement that "the main reason Senge's work is used is that it has been widely referred to as the leitmotif of learning organisations in both academic and professional arenas."

### **2.2.13 Key components of Senge's (1990) five disciplines**

Senge's (1990) five disciplines are shared vision, mental models, team learning, personal mastery and systems thinking. The three most relevant to the study's aims are the shared vision, mental models and systems thinking. Shared vision could mirror and influence the sharing of the value proposition, mental models can help to explore mindsets and systems thinking can help to examine the mindsets within the company and how these influence the value proposition. The previous conclusion that employee engagement with the value proposition is critical (2.2.7) can only be fully explored if these three disciplines are examined by this study.

### **2.2.14 Shared vision**

Senge (1990) describes a shared vision as a "common caring", and states that shared vision "is a force in peoples hearts" not just an idea. This vision needs to reflect their own personal vision and therefore they become bound to one another to achieve it through commitment and not compliance. Senge (1990) says that "In a corporation, as shared vision changes people's relationship with the company. It is no longer "their company" it becomes "our company" and that an organisation's shared sense of purpose vision and operating values establish the most basic level of commonality". So what part does the shared value proposition play in the mindsets of employees? Is it a market focused shared vision or does it have other impacts? Shared vision therefore needs to be explored further.

In terms of shared vision outcomes, Senge (1990) believes that shared vision is an answer to the problem of long-term strategy, writing that: “People do not focus on the long-term because they have to but because they want to.” and that “vision establishes an overarching goal”. Morrison and Rosenthal (1997) agree, stating that one of the critical areas to ensuring an organisation's survival is the development of a shared vision. Morrison and Rosenthal (1997) explain that “individual visions are not enough, shared visions give a real sense of purpose, they promote focus and long-term commitment to organisational effectiveness and survival” and “A shared vision gives all members of an organisation a reference point so they can play their part in realising the shared vision”. The development of this broader and longer view in mindsets of individuals can be examined. In the literature review of the value proposition it was found that it could influence day-to-day and long-term mindsets. The influence of the vision seems to mirror these characteristics and this element therefore can be explored in tandem.

Senge (1990) sees shared vision as being “vital for the learning organization because it provides the focus and energy for learning.” Note that learning doesn’t just require an aware workforce; rather one with an “energy for learning”. This is reflected in Garret’s (2000) barriers to marketing implementation model and could support the need for employee engagement with the value proposition.

Senge (1990) believes that the vision can openly recognise shortcomings. Robert Fitz is quoted by Senge (1990) as saying “In the presence of greatness, pettiness disappears”, emphasising the creation of common goals and focus. Senge (1990) argues that “organisations intent on building shared visions continually encourage members to develop their personal visions”; otherwise you merely get compliance not commitment. If employees are to be engaged with the value proposition then this must also become part of their personal vision. This could be where the actual value proposition may reside in employee mindsets. Senge (1990) also states that the personal visions are not pieces of the shared vision but include the shared vision from different viewpoints, something which it is argued could reflect the form of the actual value proposition.



So where does shared vision come from? Senge (1990) says that traditional top-down approaches may not work due to them not being implemented and having no match to the personal visions and that shared vision is not a solution to a problem, rather an ongoing philosophy. This emphasises that it should form part of the organisational culture and not merely be a formal process. Senge simply summarises this as a “Will you follow me?” strategy.

Senge (1990) describes six possible attitudes towards a vision:

1. Commitment
2. Enrolment
3. Genuine compliance
4. Formal compliance
5. Grudging compliance
6. Non-compliance
7. Apathy

Attitudes one and two actually want the vision, whereas three sees the benefits of the vision rather than the vision itself. This scale of attitudes can be used in this study to examine the level of commitment to the vision and value proposition. The three guidelines for commitment Senge (1990) are:

1. Be enrolled yourself
2. Be on the level
3. Let the other person choose

Can these guidelines be used for the shared value proposition? The idea of an employee choosing not to believe in the company’s value proposition is one that demands further study.

Senge (1990) outlines positive and negative influences on shared visions. Growth of shared vision requires:

- Clarity
- Enthusiasm
- Communication
- Commitment

Barriers to shared vision are:

- Diversity of views/polarisation
- Discouragement
- Time available
- Loss of connection

If these elements influence the shared vision it follows that they will influence the shared value proposition. How a company develops these elements within employees mindsets whilst reducing barriers will aid in the understanding of how the value proposition is shared.

Senge (1990) believes that “building shared vision is actually one piece of a larger activity: developing the governing ideas.

1. Vision is the What? (the picture of the future we seek to create, long-term)
2. Purpose is the Why? (the answer to the question “why do we exist?”, abstract)
3. Core values are the How? (the day-to-day decision making, behaviour)

If the value proposition is what a company stands for to its customers, then it would appear to fit as part of the core values. However it could also be used as an abstract idea of purpose or even be a forward looking statement of intent, driving the organisation towards what the company *wants* to stand for. This study attempts to explore this area of uncertainty.

In summary, one question remains key: how do the shared vision and value proposition interact within the mindsets of employees and ultimately affect the implementation of marketing strategy?

### 2.2.15 Systems thinking

“Systems thinking emphasizes the importance of seeing the big picture associated with the overall organisational goals other than the individual myopic job functions.” (Yeo, 2005). Therefore system thinking in terms of this research would emphasise that individuals need to share the strategic value proposition and actually recognise the value they are helping to create for the customer supporting Slater and Narver’s (1994) conclusions. Steiner (1998) describes the processes that allow the learning organisation to develop, finding that “employees screen off the part (of the work practice) that is not immediately affecting their situation”, a clear barrier to systems thinking. Being able to



step back and reflect on the ‘bigger picture’ could be influenced by the shared value proposition. Its customer focus could allow employees to see the end result of their influence on marketing strategy implementation and the deliver of value. This ability to take on a wider viewpoint could be a positive outcome of a shared value proposition and needs to be explored. Steiner’s (1998) findings are based on an in-depth single case study using interviews, documents and observational research. This interpretative approach, through two stages of research and validation of models by management, produces solid and insightful outcomes on mental models and organisational learning process, offering support for the in-depth methodology of this study.

Senge (1990) believes that “People learn most rapidly when they have a genuine sense of responsibility for their actions.” This approach reflects Slater and Narver’s (1994) “motivated and empowered” employees findings and seems to suggest that the value proposition needs not just to flow through the operations level, but needs to be assimilated by the employee who can then take ownership. Only then will the decided value proposition be implemented effectively reflecting.

#### **2.2.16 Mental models**

Mental models are images, assumptions and stories and that they affect how we both think and act (Senge, 1990). Many authors of mental model research emphasises the difficulty in their investigation due to their partly tacit nature. Argyris (Senge, 1990) says “although people do not [always] behave congruently with their espoused theories [in other words what they say], they do behave congruently with their theories-in-use [their mental models]”. Kim (1993) sees mental models as representing “...a person’s view of the world both explicit and implicit understandings”, illustrating again the tacit nature of mental models and supporting Platts and Yeung’s (2000) concerns of research. Therefore in order for this study to achieve valid outcomes, it needs to have sufficient depth so that a realistic picture of the way in which employees share the value proposition emerges. This suggests an in-depth methodology is most appropriate for this study.

The case study presented by Morrison and Rosenthal (1997), shows that mindsets are important. In their case it is the “disempowering mindset” which hinders process.



Morrison and Rosenthal (1997) go onto say that “mental models affect what people see, in organisational terms, they relate to people’s perceptions about what can or cannot be achieved. This suggests that drive and motivation are influence by mental models. However Morrison and Rosenthal’s (1997) case study findings are taken from just one manager of a communications firm. Although positive outcomes may be uncovered, the validity of these findings is weak, thus this study uses any outcomes with caution.

Argyris (as cited by Senge, 1990) supports this view saying that “we trap ourselves in defensive routines that insulate our mental models from examination, and we consequently develop ‘skilled incompetence’”, i.e. failing to produce the results we want through self-protectionism. A key part of mental models is therefore the creation of motivation and drive. What elements can affect this can be explored through this study of mindsets.

Other positive elements of mental models include scenario planning and a commitment to truth. Scenario planning is described as a key process (Senge, 1990) that “offsets the tendency for managers to implicitly assume a single future”. How this is balanced with the immediacy of the value proposition can be a consideration of this study. Senge (1990) emphasises an “organisational commitment to the truth” and that companies should ensure that everyone has their say and opinions are all respected equally. Thus employees will engaged with the vision. Senge (1990 quotes Arie De Geus (former Head of planning for Shell) saying “The ability to learn faster than your competitors...may be the only sustainable competitive advantage”. Therefore the learning organisation disciplines are even more crucial in realising the value proposition for an organisation. Not only do the skills of a learning organisation help share the value proposition so that implementation is effective, this shared mindset may actually *become* part of the value proposition in the long-term.

Senge (1990) quotes the CEO of Hanover as stating that “In the traditional authoritarian organisation, the dogma was managing, organising and controlling...In the learning organisation, the new ‘dogma’ will be vision, values and mental models”. These elements along with the value proposition give a rounded framework and focus to the study.

Steiner (1998) writes that shared mental models create a climate of co-operation since everyone wishes the firm to develop in the same way, but there are barriers. Steiner (1998) found that the “differences in mental models means that a meaningful dialogue and sharing of thoughts and information between management and operators about day-to-day operations and long-term goals for the firm are difficult to establish. The mental models held by management are so different from those held by operators that mostly it is not meaningful to share each other’s mental models.” As it is so difficult, Steiner (1998) believes that “Perhaps this theory [of a shared vision] is applicable only to management groups. This clearly indicates a problem for management in sharing the decided value proposition to those who operationalise the strategy.

Steiner (1998) also finds that the “individual dilemmas” causing barriers to learning are:

- spoken language by management;
- insufficient levels of competence
- insufficient proficiencies
- inability to think, talk, see the same thing as management does;
- difficulties in telling the truth to managers
- difficulties in telling the truth to their own flow-group;
- all employees do not want too take part in the firm’s decision-making.”

These barriers are all very downward looking, appearing to highlight the lower employees dilemmas and ignore the higher employees mental model issues. This study’s perspective from the subsidiary and from all levels, will offer an alternative view of these findings. Whatever the case, both upper and lower management need to share elements of mindsets in order for the decided value proposition to be fully realised and delivered.

Yeo (2005) states that “at the core of organisational learning is co-operation among members, which is fundamental to all relationships and team building”. The co-operation of working towards shared values and visions means that the value proposition must be clear and must have meaning for all employees. How can employees truly deliver the value proposition devised by top-level management if

further down the chain employees are not engaged and therefore invest no energy in its implementation? The following section discusses the key outcomes of this review.



2.3 Defining the Research Aims and Objectives

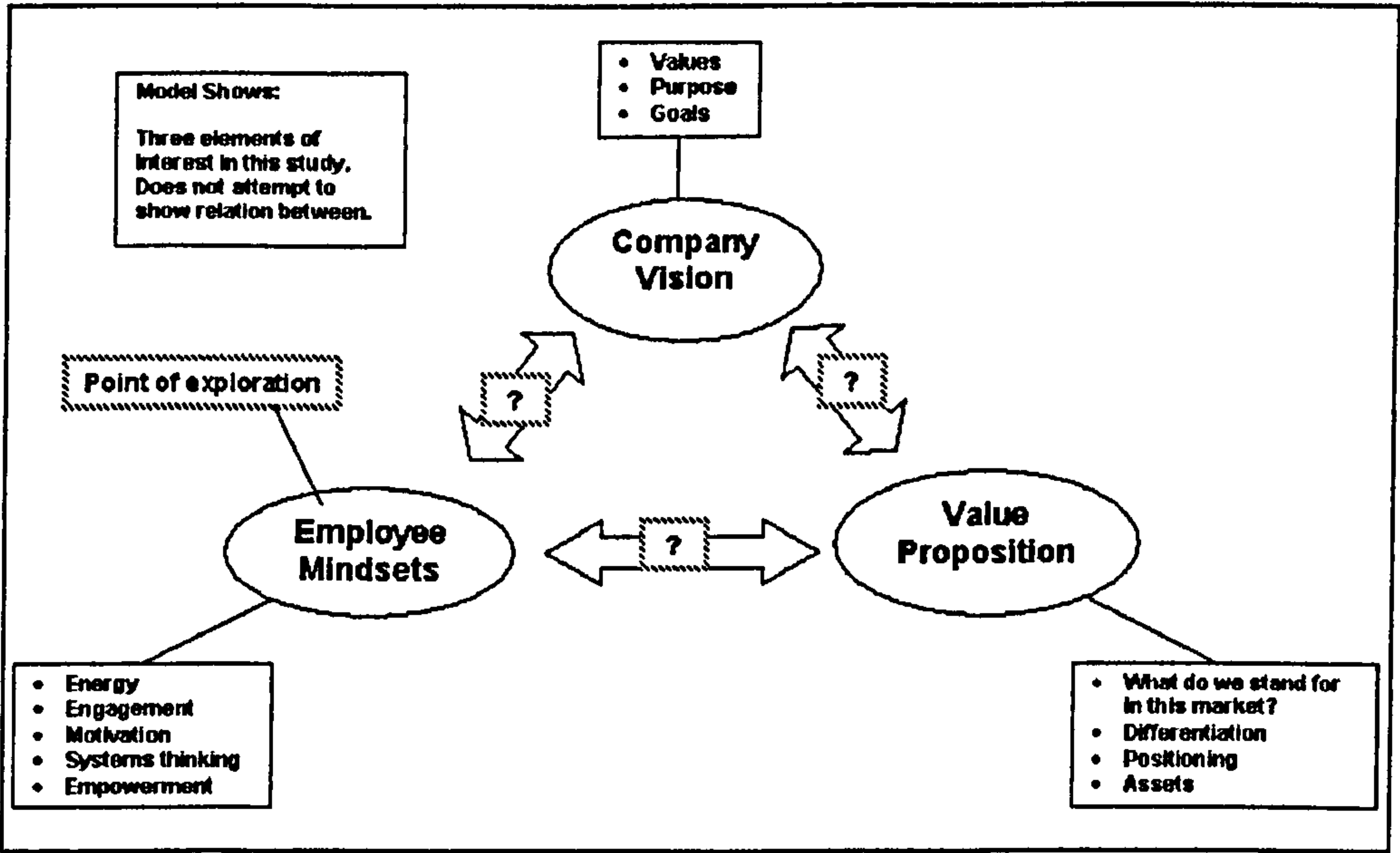
The following sets out the research objectives with relevant findings of the literature summarised.

Overall research aim

The exploration of the relationships and processes between the implementation of the value proposition, company vision and marketing mindsets.

It is vital that relevant areas from the organisational culture and organisational learning literature are added to this study’s framework. Work on the shared vision and its barriers (Senge, 1990; Steiner, 1998; Yeo, 2005) as well as the importance of employee mindsets must be considered to gain a greater understanding of their relationship with the value proposition and marketing strategy implementation. Fig. 2.4 below gives an overview of the research aim.

Fig. 2.4 Key areas explored by the main stage of research



**Objective 1a. The company vision**

Exploring the role of the company vision in marketing strategy implementation.

The shared vision, mental models and systems thinking influence the way organisations learn (Senge, 1990). A company vision focuses more on the corporate strategy of the organisation, yet its relationship with the value proposition is crucial. This study asserts that Senge's (1990) view that a shared vision is just one part of wider activity of developing the governing ideas validates the inclusion of the value proposition as a key part of this process. The company vision will have an impact on both the mindsets of employees and their implementation of strategy. The purpose, values and impact that a strongly shared vision brings to an organisation (Senge, 1990; Morrison and Rosenthal, 1997) may be inextricably linked to the 'what the company stands for in the market', in other words its value proposition. The relationship between the vision, the value proposition and mindsets can therefore be seen as crucial in terms of marketing strategy implementation.

**Objective 1.b The value proposition**

Exploration of how the actual value proposition is developed and its influence on the implementation of marketing plans.

Following on from the use of Piercy's (2002) strategic pathway model in the pilot study, this literature review concludes that Piercy's (2002) work on the components of the value proposition gives this study a strong model that reflects other researchers (such as Walters, 1999; Buttle, 2000; Woodall, 2003 and Alloza et al, 2004) concept of the value proposition. Therefore Piercy's (2002) framework will continue to be used to shape the research tools in the case study research.

From the literature the value proposition is summarised as what a company stands for in the market place and the capabilities that make this possible. From Webster's (1994) and Alloza et al's (2004) work, this study will explore whether the value proposition does influence the implementation of marketing strategy through employee mindsets.

Creation of a shared vision is given large emphasis in the organisational learning text (Senge, 1990; Morrison and Rosenthal, 1997), but is emphasised in corporate strategy rather than marketing strategy context. However, as well as sharing a vision, the value proposition could be viewed as a key part of employee mindsets, to deliver promised value to customers. On a micro level the value proposition needs to be shared through value chains (McIvor and McHugh, 2000) and functional areas outside of marketing centres within organisations, therefore this study must explore barriers such as functional separation (Palmer et al, 2005).

### **Objective 1.c The marketing mindset**

Studying the role of mental models in interpreting and implementing marketing strategy.

The continuum from strategic marketing planning to implementation is a key area of concern for many academics such as Senge (1990), Stewart (1998), McEachern (1998), Garret (2000), Piercy (2002) and Palmer (2005). Even more apparent is the need for a focus on the crucial processes between strategy planning and implementation, i.e. the impact of individual's mindsets on the effectiveness of the delivery of marketing strategy. Many studies on organisational culture such as Coles (2003), Slater and Narver (1994) and Lee (2004) support the view that employees are a key part of the implementation process. In service-based industries in particular, employees can be conduits through which the value proposition is transferred to customers. A study of mindsets would therefore add to the literature and help businesses understanding of how strategy is implemented.

Mindsets are also the point of research and therefore must be explored and considered in this study. This research must acknowledge from the organisational learning literature's work on mental models, that the point of research is of a cognitive nature and that data may be tacit (Senge, 1990; Kim, 1993; Platts and Yeung, 2000). Thus a close development of the case study relationship must be instigated in order to gain valid data.

Practical research into the ability for firms to deliver what is devised in the boardroom to the customer can be seen as a valuable area of research for both academia and



business. Steiner (1998) states that “the problems of sharing information and co-ordinating people for co-operation are the big challenges for management.” highlighting the usefulness of this research.

## **Chapter three: Methodology**

This chapter contains all methodological considerations of the overall study and the case study research. A full methodology for the pilot study can be found in appendix C1. This section begins with a review of the overall philosophy and approach of this study, followed by an analysis of research strategies including case study research design and considerations of alternatives as well as the critical role of sampling. Data collection methods are then explored including analysis of research tools and interview protocols with data analysis described and validated. This is followed by a critical assessment of the methodology which appraises the research design, data analysis and limitations of the research.

### **3.1 Overall research philosophy and approach**

The research philosophy of this study leans towards interpretivism rather than the more scientifically based positivist approach. The objectives of the study (see section 2.3) use the terms “study” and “explore”, emphasising this perspective. Saunders et al (2003) argues that business research usually takes the interpretivist form as “business situations are complex, they are also unique”. One of the main aims of this study is to investigate the marketing mindsets of firms, therefore subjective views and opinions will be gathered and these will be a consequence of how individuals view their world and interpret it, an indication of this interpretivism perspective being used.

A grounded theory approach through deductive theory testing is not taken, as this research seeks to explore new areas and gaps within the academic literature (Cresswell, 1998). A phenomenal approach seems appropriate as the phenomena of mindsets within firms are being explored. This research aims to build theory rather than test hypotheses and employs its inductive perspective by exploring marketing strategy in the pilot study as part of the literature development and take outcomes from this into a case study. An inductive approach therefore is logical in relation to the study’s outcomes of understanding and development of theory. It is noted however that although an inductive research approach is taken, a more pluralist approach is required as “theoretical propositions” need to be developed prior to study in order to guide the data

collection and analysis (Yin, 1994). This framework is not tested in a deductive manner, merely it serves as a structure to guide and focus the research. As Perry (1998) states:

*“Some prior theory can have a pivotal function in the design of the case study and analysis of its data. Pure induction might prevent the researcher from benefiting from existing theory, just as pure deduction might prevent the development of new and useful theory”*

In the first literature review Piercy's (2002) framework is analysed and supported as just such a framework from which this study can develop its objectives and aims. This is prior theory and therefore the development of literature and the pilot stage is a supported “first step in the theory building process of case study research” (Perry, 1998). Perry's (1998) work details the Australian development of a “successful structured approach to using the case study methodology in postgraduate research”. Develop through a series of conference papers, the study uses real postgraduate learnings and places them into a development framework in order for students to build a strong and valid methodology for marketing case studies. Although prescriptive, the paper is useful in highlighting and bringing together disparate support for case study and qualitative research, helping to create a solid foundation and confidence in the case study methodology.

Within the phenomenological paradigm it is a realism perspective (Guba and Lincoln, 1994) that is most suitable for this research. Alongside this study's interpretivist viewpoint, elements of the realistic perspective are introduced, mainly this emanates from the case-study strategy in this stage of research. Perry (1998) supports this view stating that “realism is the preferred paradigm for case study research for several reasons” and goes on to use Boing's (1994) work to illustrate that contemporary areas of research such as “inter-organisational relationships”, due to their unexplored nature, have little theory on which to ground research, again emphasising an inductive approach. However, Perry (1998) argues that within realism, objectivity of the researcher is key, often making “triangulation of data essential to refine fallible observations of that reality”. Later in this chapter this study highlights triangulation of data points as one of its key strengths. The study of marketing mindsets within organisations clearly focuses on real-world phenomena and because of the realist approach, greater benefit may be sought by business from the research.



### **3.1.1 Organisational learning considerations**

In the second literature review, this study utilises organisational learning theory, therefore consideration must be made as to its impact on this study's philosophical underpinnings. This study uses the organisational learning viewpoint of the theory. Rather than the "what" collective perspective from learning organisation literature, the "how" of organisational learning (Yeo, 2005), is more relevant to this study and it focuses on the process of learning or, in this case, the process of the value transfer.

When using organisational learning theory, both realist and nominalist's perspectives must be evaluated. The nominalist's view of knowledge as soft and tacit versus the realist's view of hard, tangible and explicit (Yeo, 2005). When looking at value proposition transfer, both of these viewpoints should be utilised as although the knowledge of the value proposition may be explicitly the same from operations to higher management, the way in which it is delivered may be greatly affect by underlying and more tacit factors.

### **3.1.2 Multi-method strategy**

This study uses a survey-based strategy in its pilot study and a case study as its main strategy. Due to the inductive nature of this work, this two-stage process is deemed suitable for the research's objectives and constraints. Methods should be appropriate for each piece of research, and it is often beneficial to utilise mixed methods (Saunders, et al 2003). In this study they allow the study to assuredly develop its focus and obtain important outcomes. Yin (2003) highlights why different methods can be used in research. Both surveys and case studies allow the research of contemporary issues and do not require control of behavioural events. The key emphasised difference between these two methods is the form of research question they ask (Yin, 2003). Surveys allow "who, what, where, how many, how much", suggesting a study with less depth and a lack of knowledge on the sample, reflecting the purpose of the pilot research, allowing the study to quickly uncover fundamental information on both the literature and the sample. Case studies are said to emphasise the "how and why" questions (Yin, 2003), reflecting the deeper case study research which tries to move beyond the surface of an organisation. In this way the use of a multi-method approach is supported as both

methods are utilised suitably for their strengths and allow the research to develop and come together to form a coherent study.

### **3.2 Case study research strategy**

#### **Introduction**

The strategy used must fit within the study's philosophy and therefore must also be able to satisfy research aims. The most appropriate research strategy for this stage of research is therefore a case-study approach. Support for this conclusion is discussed in the following section.

#### **3.2.1 Case study design**

Ethnography is "concerned with description of social patterns" (Gummesson, 2000). Although the culture of the organisation is of interest in this study, its inclusion is to underpin the implementation of marketing strategy and is not the focus of this research. An ethnographic strategy would not be a feasible for this stage, as the researcher has no position within any of the organisations and also theory development has been carried out before data collection occurs (Yin, 2003). Action research is also not appropriate as this investigation is primarily concerned with the understanding of subsidiaries in the UK and not with directly developing practical solutions in conjunction with developing theory, although it is hoped that the outcomes of the study can be used to aid businesses in their approach. Observation research "includes the full range of monitoring behavioural and non-behavioural activities and conditions" (Cooper and Schindler, 2003), however the study of marketing strategy organisation and implementation would be difficult as the researcher "cannot physically be at the place of an incident because you do not know where and when it will occur" (Gummesson, 2000). Marketing strategy implementation takes place over time and the mindsets of employees may be hidden from observations, therefore observational research is deemed unsuitable.

A case study research strategy is suitable within the study's overall philosophy, attempting to solve "how do" research problems rather than "how should" propositions as "case-study research is concerned with describing real world phenomena rather than developing normative decision models" (Perry, 1998).



Yin's (1994) reasons for using case-study methods support this study's utilisation. This is because 'How' or 'why' questions are being asked, the investigator has little control over these events and the focus is on a contemporary phenomenon within some real-life context. These 'conditions' fit the exploratory aims posed by this study, the investigator's independent role from the case and the modern and dynamic real-life market that is being studied. The characteristics of the study therefore fit a case study strategy. Yin's publications on case study research have become a standard text of social science methodology. A solid and comprehensive work, Yin (1994) is relied upon by many academics such as Perry, (1998), Piercy and Harris (1999), Hill and Wright (2001) and Palmer and Brookes (2002) for case study methodological rigour. Therefore this study is supported in its use of Yin's work to validate its research design.

This study utilises the case study approach of being "rich in the context of the case" (Merriam, 1988) in order to gain a greater understanding. Data on both individuals (e.g. time spent in position, see appendix A15) and the firms as a whole (e.g. policies towards employees, see appendix A2) are used to place findings into context.

In the first literature review it is argued that a cross-sectional design should be used by this study as its focus is not change but differences between groups (de Vaus, 2001). However due to the two stages of data gathering proposed later (first and follow-up interviews), change within the organisation becomes one minor theme of interest of the study.

Hammersley and Gomm (2000) and David de Vaus (2001) believe that experiments and surveys have traditionally prioritised quantitative data whereas the method of case study "frequently, but not always, implies the collection of unstructured data and a qualitative analysis of those data". Wright (1996) argues that qualitative research plays an important role in "accessing and generating discussions with key decision makers in organisations and with industry experts". Hofstede (1984) recognises that using different methods of data collection provides different perspectives on what is being studied (emphasising a relativist perspective). This "methodological triangulation" (Easterby-Smith et al, 2002), can be a way of both acting as quality control and



maximising the richness of data collected (Todd, 1979). This study therefore focuses on qualitative methods during the semi-structured in-depth interviews (including follow-up interviews), and maximising data points.

Yin (2003) puts forward four criteria for assessing the case study research design of an individual work. The relevant criteria are listed below along with evidence used to support this study's research design validity.

#### 1. Construct validity:

- *Multiple sources of evidence*: 18 points of data in an organisation, 14 of which are replicated.
- *Establishing a chain of evidence*: development of questions from first literature is recorded (appendix A4), summary sheets give a record of development of research scripts (appendix A16), follow-up interview question development is described (section 3.2.4) and outcomes and conclusions are explicitly formed from findings (Chapter 5 onwards).
- *Key informants review any outcomes*: within this case study follow-up interviews allow inferences and models developed from the first interviews to be reviewed by participants.

#### 2. Internal validity

- Is not a concern for descriptive or exploratory studies

#### 3. External validity

- *Using theory in single-case studies*: the development of a valid framework is the subject of the first literature review. The pilot study and second literature review refocuses and brings clarity as to the theoretical underpinnings of the study.

#### 4. Reliability

- *Use case-study protocol*: clear guidelines on how the research is carried out are detailed (section 3.3.4). Issues such as consistency of context, information given to interviewee, data collected and the format of the interview itself are described in full.

Using Yin's (2003) above criteria, this study validates its case study design. Hartley (1994) recognises the arguments against case studies are usually targeted at their rigour and reliability and lack of generalisability. However rather than being an inherent

failing in the strategy itself, Hartley believes that it actually comes down to two factors: “First, the relationship between theory and method, and, second, how the researcher attends to the potential weakness of the method”. This study has developed clear lines of theory development and links it solidly to the methodology used. The strategies used have not been prescriptive or rigid but allow the research to grow and in doing so they sit alongside the theory as a key part of this research. The “weaknesses of the method” are acknowledged, challenged and turned into strengths within this chapter, highlighting the rigour and solidity of the study’s methodology. As Hartley (1994) and others such as de Vaus (2001) illustrate, one of the key areas of case-study research that needs to be attended to is the issue of generalisability. This is discussed in the following section.

### **3.2.2 Considerations of the research strategy**

As with all small studies, an argument needs to be made as to the transferable and generalisable nature of the outcomes of this study to other markets and industries. Case studies have especially been criticised in the past for findings which are deemed less transferable than a survey or experiment methodology (Gomm et al, 2000) yet literature is used to help support the generalisability of this research.

Many researchers (Stake, 1978; Lincoln & Guba<sup>1</sup>, 1985; Donmoyer, 1990; Schofield, 1990) have all highlighted the generalisability issue in qualitative research, especially case studies. Glesne & Pehken (1992) state that generalisability is a “term that holds little meaning for most qualitative researchers”. However some form of transferability needs to be developed in this study in order to support the study for its future usefulness and validity of outcomes.

Lincoln & Guba<sup>1</sup> (1985) use Stake’s (1978) ‘naturalistic generalisation’ concept to express that generalisation is not necessarily rationalistic, law-like and scientific but can also be “intuitive, empirical and based on personal direct and vicarious experience”. They go on to utilise Cronbach’s (1975) “working hypothesis formulation” to discuss the continuum from general (or nomothetic) to specific (idiographic) generalisability, concluding that “any generalisation is a working hypothesis, not a conclusion”. To illustrate this point more clearly, Lincoln & Guba<sup>1</sup> (1985) use following tale.

*“A Chinese philosopher, upon being asked whether it is possible to cross the same river twice, replied that it is not possible to cross the same river even once! Constant flux militates against conclusions that are always and forever true; they can only be said to be true under such and such conditions and circumstances”*

This supports the generalisability of smaller studies as they are in context, yet argues that they can be transferred depending on the ‘fittingness’ (Lincoln & Guba<sup>1</sup>, 1985) or similarity between the two contexts, emphasising the importance of the context research mentioned earlier as part of this study’s strategy. However, Gomm, Hammersley & Foster (2000) indicate that there are some problems with the thinking behind Lincoln & Guba’s<sup>1</sup> (1985) views, such as the concept of transferability assuming the social world is lawful, which goes against their stance on the social world not being able to be governed by laws. This argument must rely on the philosophical underpinnings of the study. This work’s use of the realism perspective supports the argument of Lincoln and Guba; that a case can be made that in the flux of business, generalisations can be made if limitations of this transference are understood.

So rather than the broader generalisability, this research focuses on the more carefully considered ability of transferability. As long as this research is clear in the context of this case, the outcomes may be relevant to companies who shared traits or characteristic of the firm chosen. This research can also defend its approach as it uses a market leading and established firm emulating studies by other researchers such as Pascale (1990) and Alloza et al’s (2004). Such organisations can be seen as benchmarks against which other organisations hope to learn lessons.

### **3.2.3 Organisational learning considerations**

Organisational learning researchers such as Steiner (1998) use qualitative research in order to investigate their objectives. Semi-structured interviews and informal communications are used within different points of the organisation.

*“The empirical study reported here shows that the individual is as important as the team. By focusing on the team, each individual is depersonalised. By instead taking each person seriously, management can try to understand personal views, interests and thoughts about work and the firm”.*

(Johansen, 1994 as cited by Steiner, 1998)



One-on-one interviews are therefore a supported tool for collecting information. Steiner's (1998) aim is "to understand and explain learning barriers the research has been an ongoing process with meetings, interviews and conversations with management, white-collar workers and operators. The research has taken an interpretative form using different sources of evidence to validate the results. Also discussions with management have validated interpretations". Multiple level research using many different data points and at least one round of feedback for interpretations to be checked is therefore supported by the organisational learning literature as a method with which to study these processes.

O'Keefe (2002) illustrates the context sensitive nature of organisational learning arguing that it "cannot occur in a vacuum, it requires executive management commitment and functional support in order to develop from discrete to organisational wide activity". This supports a methodology of studying not just members of a marketing team but other areas of the organisation as well. O'Keefe (2002) concludes, "This means that all aspects of the company should be actively embracing learning". Yeo (2005) finds that "Learning also does not apply to only one level of organization members either those of lower ranks or those with managerial functions". This means that a multiple level research study would have greater validity as all levels of the organisation are faced with this learning process. Senge (1990) agrees, adding that "the interactions that must be examined are those most important to the issue at hand, regardless of parochial organisational boundaries". Therefore this research must step back from levels of management and look at the vertical translation of the value proposition whilst taking care not to be limited by operational boundaries.

Mindsets and therefore the shared value proposition can be directly investigated through interviews. Many of the research previously undertaken to uncover management issues uses a multi-point interview system to cross-check and compare data (Perrey et al, 2004; Gratton and Ghoshal, 2005). This study needs to dig underneath the overlying opinion and try to capture tacit data, making an in-depth methodology suitable. Due to the tacit information required, multiple data points are crucial in terms of outcome validity. Informal interviews and indirect probing will be required if both tacit and explicit data is to be gained. Also a follow-up stage of data collection will allow

assumption and interpretations of this work to be assessed and validated emulating Gratton and Ghoshal's (2005) validation of results through a shared interpretation of findings from both participant and researcher. The use of context data, consistency of interview protocol and follow-up interviews will strengthen the outcomes of this research.

#### **3.2.4 Data collection: follow-up interviews**

As argued above, the case-study strategy is appropriate due to its exploratory nature and its study of a real-world phenomenon. The case-study approach will allow this study to focus on the core objectives of this study and investigate the issues in-depth. In order for this study to gain closeness to the firm, to increase its understanding and to gather rich data, it is proposed in the following sampling section (3.2.5) that one firm be studied in detail in this case study. This increases the implications of generalisability and transferability of the outcomes as recognised previously. In order to offset this concern and to provide deeper and richer data from one company, this study proposes to utilise a two-stage in-depth interview process in this case study research.

The first interviews (6-23) are derived from the second literature review, focusing on the three elements: value proposition, mindsets and company vision. For the linkages between research aims and objectives see appendix A4 and for the first interview scripts see appendices A8, A11 and A12. After the analysis of first interview findings and the creation of preliminary explanatory models, key areas of interest for the study are chosen in order to focus on in the follow-up interviews (24-37). For a full listing of all interviews see appendix A1.

Even though a great deal of information is gained during the first interviews and all objectives of the research had been explored by those interviews, a follow-up interview allows the research to:

- Validate the data gained from first interviews
- Reduce bias in any assumptions made by the researcher from the first interview data
- Gain richer detail and probe deeper on key areas
- Gain longitudinal insights into the impact of a new vision rollout

- Return to any neglected areas of interest
- Increase the strength of the data in terms of its transferability and acceptance of its usefulness.

In order to fulfil these objectives for the follow-up research certain areas of questioning are utilised. Firstly in order for validation of responses, questions from the first interview are repeated in the follow-up using different phrasing to avoid any bias in the vocabulary used. The value proposition is chosen as the key element to utilise for this validation. Secondly to gain a greater understanding of the impact of the new vision rollout, in-depth questions on this area are included. Thirdly, in order to reduce bias in any assumptions made, preliminary models developed from the analysis of the first interviews are used in the follow-up interviews. Participants are asked to comment on them and assess their validity. In this way key findings from the first interviews are explored further and assumptions and inferences made are examined. For example, whereas in the first interview questions are asked about whether empowerment occurs within the company, in the follow-up interview the development of empowerment within the company is investigated.

In summary the follow-up interview scripts are derived from:

- Replication of value proposition questions e.g. what does Dulux Decorator Centres (DDC) stand for in the market?
- Validation of developed models and assumptions e.g. figure 6.4, model 3: communication of vision is shown.
- Exploration of the effect of the new vision rollout
- Key findings to be probed further e.g. mindset drivers such as empowerment

The follow-up research script therefore includes the importance of feedback, motivation drivers for mindsets and the relationship between the vision, value proposition and mindsets. These three areas are therefore probed in detail in the follow-up interview. Full follow-up interview scripts and interview models can be found in appendix A13/14.



### **3.2.5 Case study sampling considerations: a single case**

Choosing the number of cases to study is a critical aspect of this research. Yin, (2003) argues the “single cases are a common design for doing case studies” an assertion supported by studies such as Coles (2003), Alloza et al’s (2004), Perrey et al’s (2004). Hammersley and Gomm’s (2000) define case studies as research that focuses on “few cases, often just one, in considerable depth”. This study uses Yin’s (2003) third rationale for choosing such a single case, that the case is “representative or a typical case. Here, the objective is to capture the circumstances and conditions of an everyday or commonplace situation”. This summarises the research aims of this study and it’s focus on realism.

However rather than a holistic single case design, this study leans towards the embedded unit design as within this research “attention is given to a subunit or subunits” within the case (Yin, 2003). This study’s multiple focus on areas of the case firm (such as operations, commercial, executive board), individual employees and the company overall, reflects this design.

Yin (2003) draws attention to the advantages and limitations of holistic and embedded designs. The advantage of the embedded design is that sufficient detail is required in order to examine between embedded cases and this can reduce the potential for slippage of focus on the research away from the cases selected. However there are limitations with the embedded design of single-case studies that must be reduced. The case study can turn into a project study of multiple cases if the overall case is not returned to in the research. Focusing too close on the subunits will mean that the overall case will not be recognised in the research. This research clearly stands back from the subunits and considers the overall case as well in its findings and outcomes.

In total, 34 in-depth interviews are carried out in this case study. This can be broken down into 2 pilot interviews (T5a & T5b), 18 first interviews (6-23) and 14 follow-up interviews (24-37). The reason for the reduced number of follow-up cases is due to participant availability, however all areas (or subunits) of the company are still represented in this data. The same members of the firm are used in the follow-up interviews, giving consistency and the ability for comparison of response validity as

well as allowing any changes in mindsets to be directly explored. The company is divided into sub-units using operational boundaries and management structures (see appendix A3 for diagram). However as well as using these areas as clusters of mindsets, in order to reduce Yin's (2003) above limitations, both individual and company perspectives are included in the analysis and findings. Perry (1998) states, "a PhD thesis requires about 35-50 interviews". This supports the number of data collection points used in this study, but the real issue in qualitative research is the quality of the data. Perry concurs that research design should not "slavishly follow a rule", and uses Patton (1990) to conclude:

*"The validity, meaningfulness and insights generated from qualitative inquiry have more to do with the information-richness of cases selected and the observational/analytical capabilities of the research than the sample size"*

Using a single case to study is therefore part of a valid research design. It allows the research to develop depth of data and become immersed in the process. The multiple triangulations of data between points from individual employees, sub-units and the overall firm add a great deal of depth and solidity to the data. This is clearly strengthened further by the follow-up interviews, which add another layer of depth to the data as well as a validation and control of previous data.

The sampling frame this research uses is purposive or judgemental sampling (Saunders et al, 2003) as it allows the researcher to use their judgement to select cases that will enable research questions to be answered. The cases are the individual members of the firm and are selected due to their role within the company in terms of the findings from the literature, namely the transfer of the value proposition. Neuman (2000, as cited by Saunders et al, 2003) confirms that this type of sampling frame is appropriate when using the case study method as there is a relatively small sample and selection is required by the researcher to use the best cases. In fact this study uses an entire UK marketing department and the complete executive board in its sample, highlighting the richness of data and representative findings.

### **3.2.6 Selection of the case**

Stake (2005) draws on work by Patton (1990), Vaughan, (1992) and Yin, (1989) to emphasise that "Achieving the greatest understanding of the critical phenomena

depends on choosing the case well". In a single case study this selection becomes critical. Therefore evidence and support is required in order to satisfactorily conclude that the most suitable firm is chosen. The pilot research gives this study the opportunity to explore the key characteristics required for the sample thus allowing a more suitable firm to be chosen. The findings support the discarding of the pilot sample as the main case (see appendix C10.3 for supporting evidence and a detailed discussion of this decision) and present the following requirements for the case study sample:

1. A company with a value proposition that is less fragmented and easier to define will allow greater clarity of research. A service product that is delivered through people would allow in-depth interviews to directly explore to the perceived value proposition and the mindsets of employees.
2. A market leader would increase the usefulness of the outcomes of this study for industry. The transferability of findings to other business and markets would be supported.
3. A subsidiary of a multinational organisation would allow this research to retain and utilise the insights already gained into marketing strategy organisation from the pilot study.
4. Access to multiple levels of the organisation is needed.

### **3.2.7 Support for Dulux Decorator Centres**

Dulux Decorator Centre (DDC) is a subsidiary of the Dulux Paints division, in turn a subsidiary of ICI. DDC has been chosen as a suitable case study not due to a reliance on weaker measures of similarity such as product characteristics or target markets, but a clear comparison of the above characteristics required for theoretical development and similarities in business function between it and the console market. A more detailed overview of DDC including company history, current goals and objectives, operational dynamics, internal learning systems and processes and their competition can be found in appendix A2.

#### **Positive characteristics of DDC for theoretical development**

1. The clarity of the DDC value proposition is high as it is based on service. This service is built around customer-facing employees, meaning direct exploration with the value proposition can be achieved during interviews.



2. DDC is the market leader in its sector and continues to outperform competitors and achieve growth in a flat sector, making it a positive example for transferable outcomes.
3. DDC is a UK subsidiary of Dulux Paints. DDC HQ is based in Manchester with Dulux based in Slough.
4. This research can gain access to all areas of DDC, from top level UK management to shop floor staff. As well as marketing and commercial areas of the business, access to operational areas is also approved. This means that this research can study the value proposition from creation through to implementation directly through mindsets.

Appendix C11 also contains an in-depth look at the similarities between the pilot and case study sample. In summary the two samples chosen share the following characteristics:

- A smaller element of an established multinational company
- The parent company and in cases, the company itself has a market leader heritage.
- The company is customer orientated
- The subsidiary is based in the UK
- The subsidiary has control over some element of domestic marketing strategy and is responsible for its implementation.

The similarities between the two samples support this study's overall development. In summary the selection of DDC as the single case is supported by:

- Theoretical development implications from the pilot stage findings
- Ability to fulfil research objectives
- Case study strategy considerations
- Shared key characteristics between pilot and case study samples

### **3.3 Data collection**

#### **3.3.1 Research tools**

A set of criteria for using qualitative research interviews is given by King (1994). He argues that it is most appropriate:

1. Where research is concern with how people perceive a phenomena.

2. Where individual perceptions of processes within a social unit are to be studied using a series of interviews
3. Where there is a change which can be study using historical accounts
4. Before a quantitative study
5. After a quantitative study

This research strongly fits King's first two criteria, supporting the use of interviews. It can be also argued that this study does identify change through people's accounts e.g. the new vision rollout and therefore satisfies criteria three as well. Interviews are also reviewed in pilot stage methodology as a suitable tool (see appendix C1).

A main objective of this study is to investigate the marketing *mindsets* of multinational organisations. Mindsets are a person's unique way of viewing something, in this case, how marketing strategy is organised. Mindsets (in the same way as a person's attitudes) can be hidden, subtle and sometimes even not recognised by the person themselves. This would mean that questionnaires might not uncover the deeper thoughts of the participant. King (1994) argues that the relationship between the researcher and the interviewee is a key feature of the qualitative research interview, indeed going as far as to say that "the interviewee is seen as a participant in the research, actively shaping the course of the interview rather than passively responding to the interviewer's pre-set questions". This flexibility and engagement will be crucial in exploring tacit data (Platts and Yeung, 2000). Tacit data can be difficult to uncover during one-off interviews, however the warm-up questionnaire, the flexible nature of semi-structured interviews and the follow-up interview reduces this concern. A great deal of time would need to be given in order to gather enough information using observation and it is the attitude which is being researched not the behaviour of the participant. Observation is therefore not efficient method of data collection for this study.

Another factor that human studies encounter is that people may react differently to different questions and a structured questionnaire leaves no room for rephrasing or returning to a topic if needed. This is especially crucial as there are only a limited number of participants available in a small sample. Questionnaires or quantitative interviews would therefore be impractical for the main study, whereas in-depth qualitative interviews are flexible enough to react to participant variables, probing

enough to gain a deeper understanding of mindsets and gather enough information to allow a relatively small sample. Wright (1996) writes that “within highly competitive markets, companies selected for research can often be reluctant to disclose information which is regarded as sensitive” and that “there is value in using the in-depth interview technique accompanied by a semi-structured questionnaire, for the research”. Interviews are commonly used to understand management processes. Perrey et al’s (2004) and Gratton and Ghoshal’s (2005) study are both examples of this and the close link between interviews and case studies is highlighted by Perry (1998) when he defines a case study methodology as “a research methodology based on interviews that is used in a postgraduate thesis involving a body of knowledge”. Interview data will form the core of research and be supplemented by the context material. Interviewer bias is acknowledged and tools such as guide sheets and interview protocols are used to reduce this to a minimum.

In alignment with the exploratory nature of this study, semi-structure interviews are used to obtain the majority of its primary data in this stage of research. The semi-structured approach allows the researcher to be flexible in their questioning (Saunders et al, 2003), aiding the possibility of new areas of interest to develop within interviews and the ability to follow and explore these channels. However a framework of questions is used in order to direct the overall interview flow. The interviews are qualitative and are conducted on a one to one basis and can be classified as respondent interviews as the interviewer directs the interview (Saunders et al, 2003). Saunders et al (2003) believes that the use of qualitative research interviews depends on:

- the nature of the approach to the study
- the significance of establishing personal contacts
- the nature of the data collection questions
- length of time required and completeness of the process.

The exploratory and inductive nature of this study’s approach, the direct exploration of personal mindsets and the open-ended and in some cases abstract nature of the questions support in-depth interviews as the major data collection method. In summary they are a suitable method because:

- The in-depth nature of the case study research requires data rich methods



- The ability to adapt and develop lines of enquiry is crucial given the exploratory nature of this research
- Mindsets can be directly investigated using interviews compared to indirect observations
- In-depth interviews are supported in the marketing and organisational learning literature as a valid way of exploring both mindsets and business issues.

### **3.3.2 Main research tool: Script development and use**

The key research tool in this research is the interview script. The first interview script (see appendix A5) is piloted twice with DDC employees (T5a/b). These employees are chosen due to their willingness to give time and access. These case study pilots allow the research script to develop in two ways. Firstly any misunderstandings and missing probes discovered are added to the script in real-time, ultimately enhancing interview flow and the richness of the data in subsequent interviews. Secondly the data from these interviews is transcribed (see appendix A6) and examined in order to gauge the amount and depth of data gathered. As well as aiding the script development, they also give the researcher invaluable experience of transcribing and coding this data. The timing of the interview is also measured at this stage and a target time of 45 minutes is set for the first interview, which allows a great deal of data to be captured without interviewee fatigue.

Following the inductive nature of this exploratory study the first interview script is further refined during the first few interviews. Due to the pilot testing (T5a/b) this development is not dramatic; rather it focuses on phrasing and emphasis with no changes in the actual areas of questioning. Recorded on the summary sheet (see appendix A16), these changes in emphasis, rephrasing of questions as well as the addition of probes occur until the sixth interview, after which the script stays constant, as it has reached a level where no more development is required to obtain the necessary data. Problems of consistency are avoided due to the changes being minor modifications and both the covering of areas and the validation of assumptions and findings from the follow-up interviews. The follow-up interviews need no such development as they are directly derived from the mindsets (i.e. the findings) of the employee themselves and therefore are more consistent with employees' frame of reference and the focus of the research.

As the follow-up interview is a more focused tool and such a large amount of data is gained from the first interviews, it was deemed that a 15-minute interview enables enough data to be gathered in this second stage. Obviously this is a flexible tool allowing interviewees to express their views fully, meaning that some interviews are 20 minutes long, other less than 15. This shorter time also means that interviewees are happy to give access during their working day for a second time, allowing consistency of context and an engagement with the process, increasing the quality of the data gained.

Both the first and follow-up interview scripts are also slightly adapted for different levels within the organisation. This is supported by studies that have found differences in metaphors and language between management and other workers (Steiner, 1998). Also within different areas of the organisation perspectives on systems will differ, for example a store manager will be able to describe how they themselves are engaged by their vision, but the question of how they ensure other stores are engaged by the vision is one more appropriate for central management. It should be noted that no major changes are made to the actual data gathered by the different scripts, merely they take account of the participant's position and role in the company, emphasising the aspect of the question most relevant, allowing valid comparisons of data between levels and areas to be made in the analysis. All scripts for differing levels can be found in appendix A.

### **3.3.3 Additional research tools**

The research tool has been developed from academic literature presented in this thesis. This raises an issue of participant comprehension of both the language and abstract ideas used in the script. Even though this is reduced by the practical nature of this study and its focus on implementation, there still remains the issue of an interviewee being introduced into the ideas and values of the research before the interview commences in order to reduce bias and increase data usefulness. Also the gains of consistency and realism (see interview protocol) in utilising the participant's workspace for the interview may result in an increase in this disparity between the frame of reference for interviewer and interviewee. In order to reduce this paradox and engage the interviewee with the theme of the research, a very simple five-part questionnaire is utilised. Basic

multiple choice and open-ended questions are used to “warm-up” the interviewee, encouraging them to think about issues such as their work and their mindset towards the company (see appendix A7 for example of questionnaire).

As well as a useful “warm-up” technique the results of this quantitatively focused tool are analysed using SPSS (see appendix A15). These preliminary findings are utilised along with the summary sheet findings (explained below) and the interviewer’s thoughts, feelings and ideas from carrying out the first interviews to develop a preliminary analysis (see section 4.1.1 and 4.2.1). This analysis starts to develop themes and models and thus helps to develop a framework for main stage of analysis.

Summary sheets have multiple uses for qualitative researchers. Directly after the conclusion of an interview, the researcher details a synopsis of the interview’s key outcomes in terms of themes, possible future questions, changes in emphasis required, any issues with bias and researcher reflexivity. These sheets allow a record of the development of the script to be kept, themes and outcomes to emerge and any bias in individual interviews (for example an interruption) to be recorded and referred to in the findings stage. Summary sheets allow the analysis of the data to commence before the end of the interviews, reducing the need for repetition of interviews due to interviewer bias and increasing their validity by producing a constant reminder to the interviewer of the manner in which the interview protocol may have developed. See appendix A10 for summary sheet questions and appendix A16 for all summary sheet data.

### **3.3.4 Interview protocol**

The control of context is a crucial part of case study methodology (Yin, 2003) and indeed qualitative research (Emory and Cooper, 1991). This research utilises a consistent context process for all interviews. Every interview is carried out during working hours and within the interviewee’s place of work. The same recording equipment and research tools were present at each interview and for each interview the research wears attire that is comparable to that of the interviewee to instil a favourable rapport (Saunders et al, 2003). The research tool contains all the information needed by the interviewer including introduction and ending. In this way a highly consistent environment is produced throughout all interviews. Due to the nature of in-depth



interviews (non-covert etc.) and the potentially sensitive nature of responses, informed consent is used. The Market Research Society Guidelines<sup>1</sup> are adhered to when designing and conducting all interviews.

The interviews are fully recorded, something acknowledged by the participant on the actual tape. The question of whether digital recording should be used is rejected early on in the study due to participant concerns over the secure nature of the medium. The quick transfer and non-tangible nature of electronic recording means that participants in this study are more accepting of audio tape recording than a digital medium. All audiotapes are fully transcribed by the researcher, creating consistency in style and format.

The quantitative “warm-up” sheet is given to participants whilst the interviewer is setting up equipment and preparing for the interview. The interviewer asks the interviewee to read through the whole questionnaire, however they are informed that it can be actually filled in after the interview in order to gain as much time as possible for the qualitative research. Therefore the results of the questionnaire may be affected by the interview itself. This is one more reason why its results are not used in the final analysis but merely provides some preliminary outcomes. Its primary use (as explained above) is a tool with which to introduce marketing terminology and abstract thinking to the interviewee in order to increase their comfort at the beginning of the interview and so to gain richer data.

Also, as previously described, summary sheets are used in order to gain greater a greater understanding of the context as well as highlight any bias or variables that occur during interviews. A summary sheet is filled in immediately at the conclusion of the every interview. Not only does this add insight into the interviewees mindsets (such as their position in the company), but also is used to note any emphasis of questioning, any perceived interviewer bias or context variables that affect the participant or if any additional questions need to be added to the script. Through the summary sheet the researcher is also required to reflect on their influence on the process and the context of

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<sup>1</sup> Can be found at <http://www.marketresearch.org.uk/>

the interview at the time. Therefore the summary sheets give a full and frank account of the consistency of each interview.

The above protocol allows this research to be replicated as well as strengthening the validity of the following analysis and outcomes of the study.

### **3.4 Data analysis techniques**

Cresswell's (1998) case study process gives guidance as to the stages involved in disseminating the data gathered. However its focus on multiple case comparisons need to be adjusted in order to be applicable to the sub-units within the single case. A holistic view of the case must be analysed followed by the analysis and comparison of the sub-units within. This cross sub-case analysis is then used to conduct a thematic analysis of the data. The final stage is interpretative, meaning the researcher reports the 'lessons learned' from the case (Lincoln and Gruba<sup>2</sup>, 1985).

#### **3.4.1 Quantitative data analysis**

Data from the preliminary questionnaire, although it's main function being an introduction to the research for participants, is inputted into SPSS and used to gain insight into the mindsets of the participants (see appendix A15). Clearly due to the limited number of data no deep statistical analysis was deemed applicable, but basic descriptive, cross-tab and frequency analysis yields underlying clues to perceptions and give additional points of interest for further exploration in the following qualitative analysis.

#### **3.4.2 Qualitative data analysis**

The review of the qualitative data analysis takes account of both first and follow-up interviews of the case study. It is argued that the multiple stages of data analysis conducted in this study allows the refinement of the researcher's data analysis techniques in terms of their effectiveness and efficiency. Analysis is "a process of resolving data into its constituent components, to reveal its characteristics elements and structure" (Dey, 1998). The case-study strategy of this research means that the analysis must also be linked back to the context in which the data was gathered and in which the

results are set. To break this relationship would cause the results to become meaningless and without structure or value. Denzin (1978) agrees and uses the term “thick description” to include the surrounding evidence and context data.

Firstly the data needs to be described. Dey (1998) states “description lays the basis for analysis, but analysis also lays the basis for further description”. In simple terms the data must be broken down, reclassified and then built up again in order to “provide the basis of a fresh description” (Dey, 1998). This breaking down of the data is supported by Feldman’s (1995) deconstructionist analysis of the data which helps to “point out the dominant ideology in the text” and to develop themes from the data.

Due to the interpretivist nature of the study, this qualitative analysis draws from the less structured and more from the inductive end of the analysis spectrum (Saunders et al, 2003) and therefore the qualitative analysis process actually begins during the first interview. The researcher becomes a part of the analysis process when they direct questions and probe areas of interest. As previously described, after every interview, a summary sheet is completed which includes areas of interest and any indication of possible categories or codes for analysis as well as any areas of emphasis or questioning for future interviews. A degree of analysis therefore takes place within the summary sheets and the interviews themselves and also occurs during handling of the data whilst coding. This preliminary analysis, although having no great depth, gives guidance for the later and fuller analysis and indications of some of the potential areas of interest.

After the preliminary analysis the data is full transcribed into the Nvivo application. The data is then categorised and unitised (Saunders et al, 2003) according to a developed framework. The categories (or ‘nodes’ in Nvivo) used in breaking down the data are generated in the following ways. To aid in consistency, the structure used to produce the questions is used as categories in its analysis. This includes elements of the literature, for example Piercy’s (2002) breakdown of the value proposition and the elements of organisational learning theory (engagement, system thinking, mindsets). As well as this, categories are developed from the summary sheets of the interviews. After each individual interview, the researcher reflects on what categories emerge from that interview and these are included as well (for example node A2: Emergent or planned



vision, is derived from the summary sheets). During coding, some elements of the interviews are seen to indicate further categories are necessary and therefore the researcher adds to the nodes already created, for example the 'impact of the corporate vision' and 'how do they perceive DDC' are additions following researcher reflection during coding. Whether the code is created prior to data collection or induced from the process is noted alongside its definition (see appendix B1 and B2). Each node is given a code e.g. A1, A2, etc and this is how the example data is organised and structured in appendix B3 and how the findings are presented in chapter 4.

The definition of the data that is placed into each category is crucial for clarity of analysis (Dey, 1998). An example of this importance is now described. During coding it is found that one category for the value proposition "Positioning" gains similar data to the category "How they perceive DDC". By looking at these two categories, it is clear that the first should be defined as: how employees perceive that customers view DDC or how employees want customers to view DDC, and that the second category is actually: how the employees themselves view the company. However although at first glance it appears to simply be either an interpretation of the company from an external (positioning) or internal (how they view DDC) viewpoint it is not. The data in the category of "Positioning" does not come from the customer. It still comes from inside the company itself and therefore is taken from an internal perspective and reflects how *employees* perceive that customers see DDC. Therefore, the data given to the first category is deemed appropriate for the second category as well.

Once the data is sufficiently coded to these nodes, each category is broken down further by the level/area of the participant in the organisation. Using Nvivo to break down data into its sub-units means that the original coding is not lost. Therefore the researcher can look at the overall data from the firm as well as focusing in on each area or even individuals. In essence this not only allows objective 1b. Value Proposition to be fulfilled, but also gives an indication as to the mindsets within the organisation and helps to fulfil objectives 1a and 1c.

As the above shows, once nodes are established, the researcher is able to explore the data whilst retaining its context. Semiotic analysis is used on the data in order to

disseminate opinions and attitudes expressed in interviews. Both explicit and implicit meanings are uncovered in order to discover tacit data (Feldman, 1995). Themes are developed and comparisons between sub-units are made. As each individual node is analysed individually, the findings are structured by node with overall comparisons and summaries being used to step back from these outcomes to develop links between nodes.

### **3.5 Critical assessment and validation of methodology**

The following chapter highlights the validity of the research through establishing how firm conclusions can be drawn and acknowledging limitations.

#### **3.5.1 Overview of research**

Management does not take place in a vacuum but in a state of flux. There is always external or internal change, for instance employee turnover or external market forces. In the same way, relationships between elements explored in this study do not exist in a vacuum, as other variables, such as pay and conditions, also affect mindsets within organisations. However this study does not attempt to measure or test exacting theory but highlights the critical role played by marketing mindsets in marketing strategy within organisations and how important the value proposition is to these mindsets. The use of an inductive and qualitative research study fits with these exploratory aims and explanatory outcomes. For an assessment of the pilot study research see appendix C12.

#### **3.5.2 Assessment of the case study research**

The case study research, after reflecting on the depth and richness of the data provided, has added its support to the field of qualitative research and in particular the usefulness and validity of smaller exploratory studies. The methodology also reduces worries over tacit data capture (Senge, 1990; Platts and Yeung, 2000) as through the depth of its data collection and its multiple points of data this study can conclude that tacit data has indeed been uncovered and explored. This is partly aided by the open and honest culture found within DDC: that weaknesses are openly discussed and problems are questioned in interviews. The two stage interviews increase both the richness and validity of data allowing for:

1. Assumptions and models developed from first interviews to be refined checked and validated by participants
2. Further probe questions following on from the first interview to gain rich data and a more detailed understanding
3. The validation of data collection and protocol through the comparison of participant responses to replicated questions.
4. An increase in the amount of 'data points' within the targeted sample.
5. A degree of longitudinal research to take place i.e. the new vision rollout.

The ability for these follow-up data points to be spread through many areas of the company means that the data remains as representative as possible. In terms of controls and reducing bias within interviews, rigorous protocols allow this research to be adequately replicated. Also the recording of a clear chain of events in the development of research and a keen awareness of its limitations (see sections 3.5.4 and 3.5.5) gives the research the strength and solidity to be developed or built upon in further research.

Other studies also support the methodology used in this study. Perrey et al's (2004) work also supports the methodology of this study as it utilises a single case study with a two stage interview process (firstly unstructured then semi structured) to "capture involved practitioners' understanding of the issues and constraints", including tacit information. This study's research design and tools are therefore validated as suitable for capturing information from employee mindsets. Alloza et al's (2004) study of the value proposition within the BBVA uses this single firm as its case study. However it offers insight into a real-life business process with a heritage of success, thus supporting this study's single in-depth case methodology and use of a successful organization to explore such business issues. Gratton and Ghoshal's (2005) five year case study researches "companies that had demonstrated superior performance" with a two stage research process involving in-depth interviews with both executive committee and "executives in different functions and at different levels, including the operating-level managers who actually were involved in day-to-day activities". This reflects the methodology of this study and supports the validation of results through a shared interpretation of findings from both participant and researcher. Single case studies with depth and complexity are a supported and up-to-date method of exploring management issues and uncovering potentially tacit information within firms.



### 3.5.3 Assessment of analysis

Analysis uses both prior theory and induced areas of interest to break down the data. Nvivo is used to sort, select and classified data, meaning that analysis is rigorous yet fluid and insightful. Once classified and coded, the researcher uses Dey's (1998) qualitative data analysis to draw out themes of interest and findings. These findings are comprehensively outlined for all interviews in chapter four and discussed with reference to the research aims and outcomes in chapters five and six. Analysis of the data takes place at three focused levels, with subunits of interest analysed, and then both individual and holistically perspectives being used. This multiple level of analysis allows Hofstede's (1998) findings of the limits of individual analysis to be overcome as well as ensuring that cross-unit comparisons are made. The rich findings highlight the use of this multiple levelled analysis, emphasising individual insights, comparisons between areas of the organisation, as well as overall outcomes for DDC as a subsidiary.

To gain a holistic understanding of the outcomes of this research, the first literature, pilot stage and the case study research outcomes are assessed in terms of the value they add to the study's conclusions. Both stages are key components of this research and the clear flow of research from beginning to end is evident.

### 3.5.4 Limitations of methodology: Sampling

With any case study research design the issue of sampling raises concerns over the representativeness and usefulness of the data. The selection of DDC as the main case to study is firstly supported by the pilot research. The information gathered in the console market allows this research to identify a sample worthy of study in the case study and is defended through sound theoretical, practical and business reasoning (see appendix C10/11). The small nature of the sample used in this case is defended by literature such as Yin (2003) who highlights the validity of single cases and Perry (1998) who uses Patton (1990) words below to justify not following a rule for the number of cases:

*"The validity, meaningfulness and insights generated from qualitative inquiry have more to do with information-richness of the cases selected and the observational/analytical capabilities of the researcher than the sample size."*

Therefore this research's choice of a single yet rich and appropriate case, allowing a great deal of data to be gained and the multiple stages and levels of analysis reduces issues of sample size. Previous criticism of the transferable nature of case study outcomes when compared to a survey or experiment methodology (Gomm et al, 2000) is openly recognised. This research argues that though generalising from qualitative research may be problematic, the same can be argued for quantitative research. As Hartley (1994) puts it, "Just because there are established techniques for generalising [quantitative research] does not make it any easier where there is heterogeneity and where the processes have not been elucidated. This is where case studies can be useful". Also the number of data points from areas throughout the case, at least two from every position in the organisation that are then replicated in the follow-up interview, can be seen as multiple observations within an environment (Hartley, 1994). Therefore the findings are not built upon single pieces of data, but rather from a collective of built upon information.

Studies with similarly accepted methodological strengths and weaknesses such as Perrey et al (2004), Alloza et al (2004) and Gratton and Ghoshal (2005) are used to support the validity of this work. This study also acknowledges that in order for generalisability to be validated further studies are required (Perry, 1998), but also argues that this is the aim of the study: to explore and build theory in order to construct a basis for further research. DDC allows the research to be carried out and therefore they are self-selecting. Just through allowing access to all areas they can be seen as a learning organisation, not afraid to discover issues and welcoming change and another perspective on their organisation.

Another limitation with the sampling frame is that not every member of staff is interviewed. Functional areas such as telesales and accounting and finance are not used and may add another dimension to the findings. However the focus of the study is marketing strategy and all areas of the organisation which are directly involved in this process: the planning and decision making at executive level, the implementation planning and execution at marketing department level, the overseeing of operations at regional management level and the deliver of value by shop management and staff, are included in this study. In some key areas of the organisation for example the marketing



department, all members are interviewed. In other areas such as store management a smaller sample is taken as this research tends to focus on higher areas of the organisation than customer facing staff, however they are still recognised, included and findings gathered. In summary although other areas of the organisation are not represented in this study the breadth of the data collection is suitable for its purpose, allowing the study to gain sufficient representation of the marketing strategy process.

### **3.5.5 Limitations of methodology: Script and interview bias**

With any semi-structured interviews careful control is required in order to reduce bias (Saunders et al, 2003). Ways in which this bias has been lessened have been given. The inductive and interpretative manner of the data collection and the use of a pilot study mean that the research develops its narrow focus only after consideration has been made of the surrounding processes. This reduces the possibility of bias within the research focus, giving a natural progression to research development.

In the case study, due to the highly replicated nature of the interviews and thus the importance of the research script, two pilot interviews are carried out (T5a/T5b, see appendix A5 and A6), firstly to tighten the script and avoid any confusion and secondly for the researcher to gain confidence and familiarity with the script. This lessens bias in the first few interviews, as script development once interviews are carried out is minimised and data gained is therefore comparable.

However although the interview is a replicated tool, it is still refined through the first five interviews (numbers 6-10), of example phrasing and probes are introduced to gain richer data. A record of this chain of events is captured both on summary sheets and the research tools themselves. This minor adaptation of the research script does not bias results as these tools collect the same data, merely more effectively. Follow-up interviews allow any data gaps from the first interviews to be filled. This development of the research script is a key part of the inductive and exploratory nature of the research.

A solid interview protocol increases consistency and reduces bias. Context of interviews in the case study research is tightly controlled (all interviews take place during working



hours and within the offices of DDC), with personal data gained from the participants, such as time spent in their role and the company, adding context to the data and a real-world quality. In addition to the full recording and transcripts, the summary sheets give a record of the interviews, their context and the development of the analysis and research script. As the tight control of context means that all participants are interviewed during their working day, the 'warm-up' questionnaire in their first interview allows them to take a moment to start to reflect on more abstract issues contained within the following interview script, increasing the efficiency and richness of the data gathered. As described in the methodology, due to the interview protocol, all interviews are carried out in the same way (e.g. introduction and instructions) and thus bias is reduced.

In summary the limitations of this study are overcome through an understanding of the theoretical basis for bias inherent in research design as well as the utilisation of techniques such as:

- Interview protocol
- Record of chain of events
- Multiple data points
- Replication of data points
- Exploration of assumptions with follow-up interviews

In addition, the above limitations are considered in the study's recommendations. For example, further observational and quantitative studies are suggested as ways to validate the research and overcome limitations of both sample and script bias (see chapter eight).

### **3.6 Summary of research design**

The case study methodology is built around the depth and richness of a single case study strategy. Issues associated with the case study design such as transferability are noted and reduced where possible. DDC is rigorously assessed and thoroughly supported as the chosen case through theoretical, practical and research design considerations. The choice of DDC enhances the relevance of the first literature and pilot stage whilst ensuring that outcomes of the work will be powerful. In-depth interviews are supported as the most effective tools for this stage of research and an

interview protocol is developed in order to increase the replicability of the research. The depth of the study is created by its focus on one single case and using a two-stage interview process. Raw data is comprehensively captured using audiotape and fully transcribed ensuring minimal loss of data in its collection and recording. Qualitative data is broken down and rebuilt with theoretical underpinnings and organised in a simple yet powerful way. Multiple levels of data are analysed and compared creating a study that is both a deep and rich in data and offers an understanding of business processes from multiple perspectives. A critical assessment of research design and data analysis is made and key limitations of the research methodology are both acknowledged and reduced.

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## **Chapter four: Research analysis and findings**

This section contains all of the findings from both first and follow-up interviews of the case study research. As well as this, the preliminary findings for both stages are included. These are developed from both the summary sheets and the researcher's insights through the interviews themselves and are produced before the full analysis that follows. Quotes are used throughout the full analysis to give evidence to the points raised. Quantitative results from the 'warm-up' questionnaire used in the first interview can be found in appendix A15.

### **4.1 First interview research findings and analysis**

#### **Introduction**

This section includes an in-depth review of both preliminary and main analysis findings for the first interviews. This is followed by the development of follow-up interview questions.

#### **4.1.1 Preliminary findings from first interviews**

The following is a brief review of the preliminary findings from the first interviews. These are taken firstly from the interview themselves and their summary sheets and then strengthened by insights gained from the coding of the data. This review is used not only to highlight key areas for a more detailed analysis, but also to generate a greater focus of questioning for the first interview with the Head of DDC (interview 23) and the follow-up interviews, allowing richer data to be gathered.

#### **Overall insights**

There appears to be strong cultural mindset within DDC as a whole. When thinking about themselves, often they position DDC against their parent company as more dynamic and energetic.

#### **An implicit culture**

The culture within the company seems to be more important than the corporate vision, as they lack a cohesive and simple message, yet they understand how to go about their



work in the 'DDC way'. There is a very strong DDC culture without a strong DDC vision. The value proposition elements: what they stand for, their positioning, differentiation and marketing assets, appear to be shared within and outside of the marketing department and the clarity of this is unwavering in all interviews. Therefore it seems that the value proposition is effectively shared throughout the company and has become part of their mindset. This raises the question; what would a company vision add to DDC's mindset?

Mindsets within DDC appear to be important in the implementation of the value proposition, with the vision of the company having lesser impact. The difference between the two could be that the company vision shows what they should stand for in employees' eyes whereas the culture that permeates their mindsets at the moment focuses on how this should be done i.e. implementation focused. The value proposition is not formalised explicitly, but is inherent in the DDC mindset.

### **A weak company vision**

In all interviews, but particularly in the ones before the 2006 conference (6-11), the company vision is unclear, unknown or not championed at all. Many different views of the vision of the company are given, from opening stores to simply being the best. None of these seem to influence their work as much as the mental model elements with empowerment, feedback, ability to change and the culture of the company seen as more likely to keep them enthused with their work. However there are suggestions that this lack of strong vision leaves them unclear as to where DDC will be in the longer term. This suggests that strong mindsets are key drivers in an every day working environment, yet a company vision is needed to ensure long-term reassurance, even if it merely indicates that those in control know where they are headed. This long term focus or reassurance also allows employees to concentrate on day-to-day work.

### **An informal communication culture**

The culture of the company appears to show that although hierarchies in terms of position and roles are very rigid, communication between them is not. Informal and frequent communication occurs throughout the organisation, with advice and feedback not necessarily flowing through clear and decided channels but missing out loops and

cutting through operation boundaries. Although the method of the actual communication may be formal, the paths down which they travel are not. This informal nature of communication appears to be another driver of motivation within the company, positively influencing employee mindsets.

### **Internal dynamism**

Another element that arises from the interviews is the change within the past 5 years. The positive attitude towards change and the growing strength of the company are remarked upon in nearly all interviews. Many attribute this to the new personnel that have been brought in and this is borne out in the statistics. Only 2 out of the 15 interviewees have been at ICI for more than 7 years and those are a Store Manager and a Regional Manager. The average time that the interviewees have been in their current role is just over 3 years. This internal dynamism appears to add to the pace within the company and therefore affecting the DDC drive and mindset. The catalyst for this change in pace and mindset is widely regarded as the introduction of the new Head of DDC.

### **A shared value proposition**

As previously discussed, the value proposition, at this early stage in analysis, appears to be adequately reflected by all areas of the business. That is not to say that all interviewees' opinions are the same. Individuals within particular roles tend to vocalise the value proposition from their particular point of view in the organisation and therefore their views do reflect each other's albeit from different perspectives. This *interpretation* of the value proposition indicates that they are not merely repeating a mantra of the organisation, but that they are aware of the value proposition and that they assimilate it into their context. This raises an important question. If the value proposition is what they should stand for in the customers eyes, and the vision is what they should stand for in their eyes: how do these two elements relate? Are they developed together? Actively merged or kept at arms distance? The relationship between these guiding constructs is an area that needs further exploration in the follow-up interviews.

### **Mindset drivers**

During coding it is noted that there are strong links between data given to the following categories: freedom/power given, feeling part of the system and responsibility of vision. These elements of empowerment are strong in all interviews and are given by many participants as a key part of their motivation and enthusiasm. Also an outcome of the coding process is the finding that the freedom given and the emphasis on the lack of blame culture when compared to the wider company (Slough and ICI Paints) seems to be a key part of the strong and positive individual mindset and DDC mindset. Motivational drivers of mindsets and positioning with or against the parent company are themes that the interview with the Head of DDC and follow-up interviews can explore.

### **The new vision of DDC: a key variable**

DDC announces its new company vision during the first stage interviews and then proceeds to implement this vision through the company between the first and follow-up interviews. Rather than hinder this research, the researcher believes that this variable will enhance the results of the study and gives the opportunity to view how this process is being implemented. Therefore, rather than a single snapshot of a company, it allows this research to explore the changes over this period and study the impact that this new vision has on the organisation and other constructs such as the value proposition.

### **Vision announcement**

The annual conference takes place on the 9<sup>th</sup> February 2006, between interviews 11 and 12. All interviewees attend this conference where an overview is given of what the new vision looks like and where the company is headed, both for ICI Trade and DDC itself (see appendix A17 for literature).

These influences are taken into account when analysing the data gained from the post-conference first interviews. However, even though the vision is communicated to all participants, it does not affect the message given by participants and even though some interviewees do use the phrases presented e.g. the 5Ds, they are worded rote, with no connection to their roles. Therefore it appears the announcement of the vision did not greatly affect their use of the vision or influence any of the first interview data. In summary, during the first interviews, although the vision is communicated, it is not



implemented. It appears that the vision is presented very explicitly at the conference but this does not change or affect their mindsets towards the organisation.

### **Vision implementation**

In first interviews with members of the executive board, it is revealed that the organisation is attempting to transfer the vision both explicitly (posters, meetings, presentations) and implicitly (appraisals) to try to mesh the company vision and the already created, strong company mindset. This is carried out to all levels of the organisation between the first and follow-up stages of interviews and allows the follow-up interviews to further explore any changes in mindsets due to the new vision.

For questions generated from these first interview preliminary findings for the interview with the Head of DDC see appendix A9.

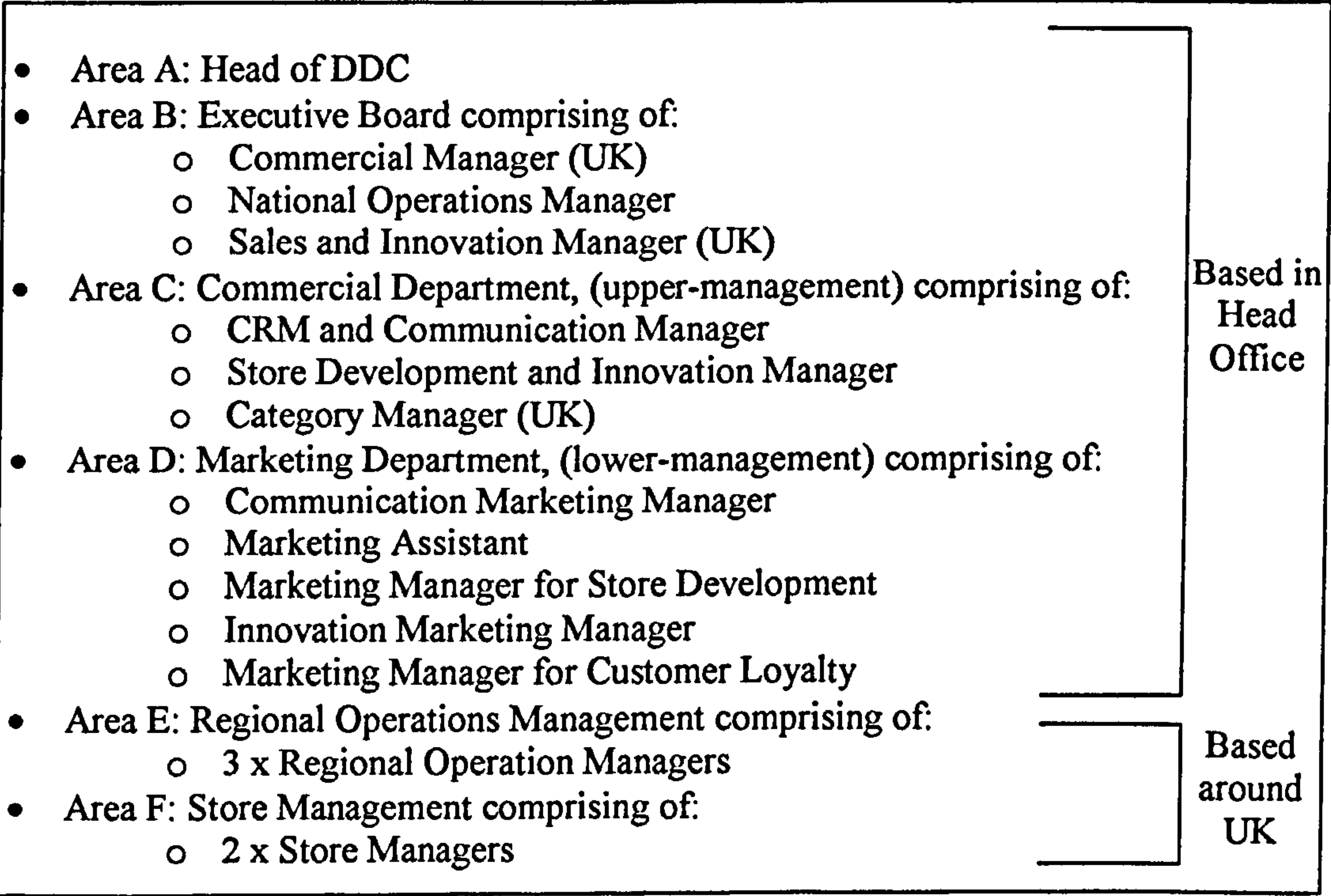
4.1.2 Full findings from first interviews

Introduction

The following findings are produced using transcripts from all interviews. NVivo is used to break down the data into categories (or Nodes) of interest that are partly taken from the research objectives and the literature review (see methodology for details) and have also been developed during coding. These induced elements have been added to the aforementioned deduced elements to create a solid and exhaustive categorising list. For a full list of categories or nodes see fig 4.2 (page 98).

Once coded, the data in these ‘nodes’ are broken down further into their respective levels or areas within the company.

Fig. 4.1 Sub-units within DDC



This splicing of data allows comparisons across operational and hierarchical boundaries. The following work is the output from the researcher digesting this data at individual, area and organisational levels and key areas and insights relevant to the research objectives being drawn. These findings are analysed in a wider context in the discussion (chapter 5). The script for the first interview with the Head of DDC was

generated not only from the previous preliminary analysis (section 4.1.1) but also from the initial draft of node B (the value proposition) of these findings. The data taken from the Head of DDC's interview has now been added for completion. Also included are the key elements of the Head of DDC's feedback on draft models. Summaries are given at the end of each node section (A, B and C).

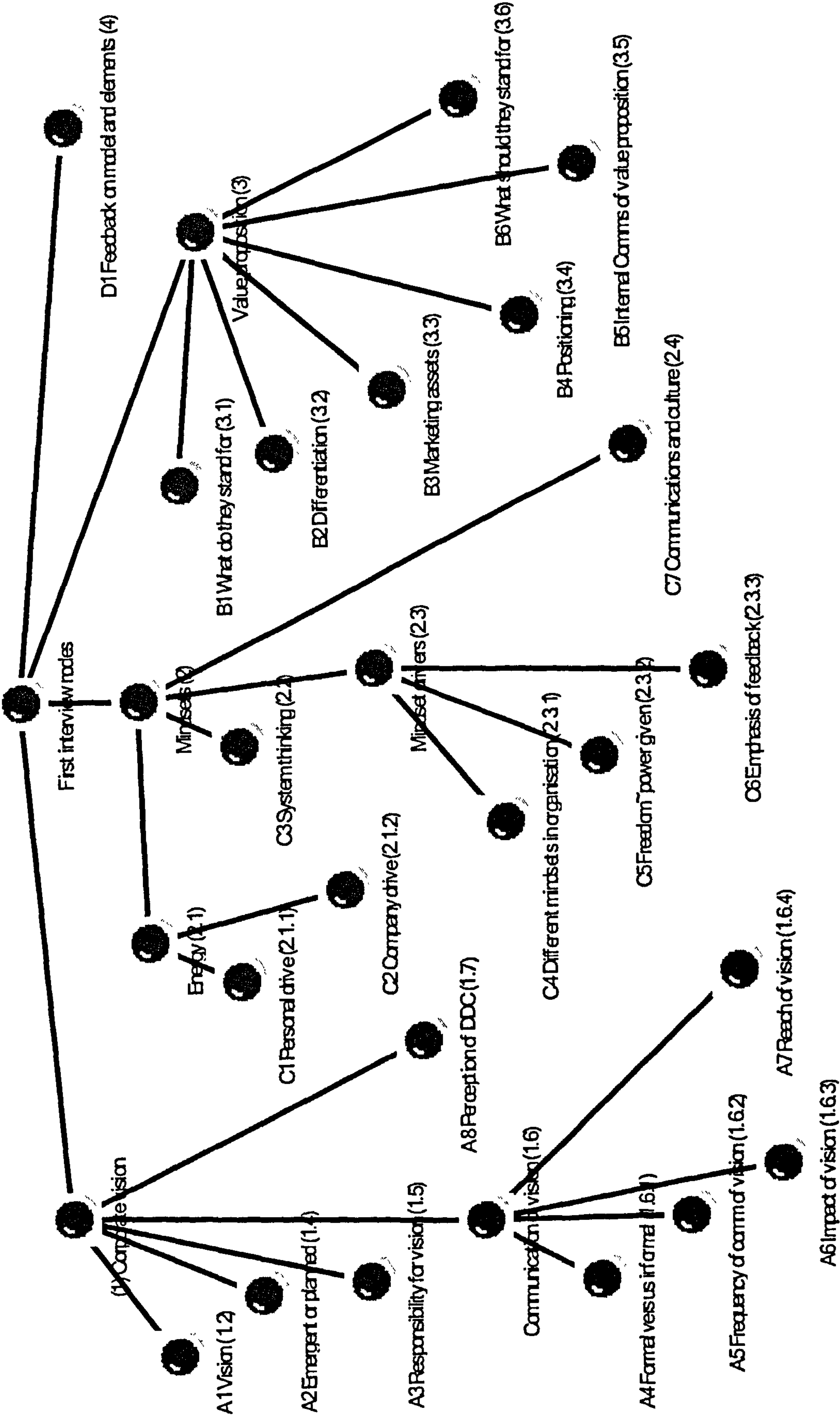
Quotes are placed within nodes and are presented with the following information:

- Interview number
- Job title of interviewee (for context)
- Paragraph number

Through these details, all extracts are directly linked to their nodes. Appendix B contains some examples of the node data.



Fig 4.2. First interview analysis nodes



## Findings: A. Company Vision

### *A1 What is their vision?*

Vision, strategy and mission statement appear interwoven and inseparable in levels B and A.

*“That’s all one part. You’ve got the strategy, you’ve got the mission statement you’ve got the visions and values. So they’re all [interlinked]...”*

*(Interview 21, National Operations Manager, ph 159-167)*

This suggests that company vision and strategy are similar in terms of direction but are used differently. In terms of how the new vision is being utilised, many interviewees see it as bringing together the wider organisation, but also being relevant to smaller areas in the organisation is seen as key in its implementation.

*“Does DDC have an overall vision? Purpose?”*

*Yes we do but it’s probably not very well communicated. That is now changing because we are part of UK and Ireland so therefore we have the ICI or the UKIMT strategy which is the ‘big, bold, brilliant’.*

*So that’s not for DDC that’s for the whole...*

*Yes and we have to, because we’re now one, we have to follow that strategy which actually does relate back to DDC’s, so number one in every category and there are various that fit underneath that.”*

*(Interview 20, Commercial Manager, ph 160-166)*

*“I suppose in terms of a destination statement, it’s almost easier to say “Well what will it look like when we get there? It’s about making quicker decisions, it’s addressing all of the issues that we have. So we’ll feel as though we’re in a business that can make quick decisions, that is number one in the market, that really puts people and customers first.*

*And are they actually broken down or are they just more guiding overall aims?”*

*They are then broken down below that. So for each area you would have what that means and then below that you’ve got the values, which are those 5 Ds ... and that’s how we’re going to get there really. But they are broken down quite a lot.”*

*(Interview 20, Commercial Manager, ph 174-186)*

Pre-conference participants (interviews 6-11) tend to give more general answers for the company vision, for example:

*“It’s very much around organic growth within the business. It’s kind of about growing the business through new store opening for differentiation. So innovation/differentiation really.”*

*(Interview 9, CRM and Communication Manager, ph 202-204)*



“Can you describe that [vision]?”

*It wants to be the best, it wants to be the leader.*

Where does it get that vision from?

*Its the overall message generally isn't it, that we have got to be the best.”*

*(Interview 10, Commercial Assistant, ph160-170)*

*“I think the fact that the market is changing and decorators are no longer just decorators they are turning into general maintenance type people, the old breed of decorators is dying off, DDC want to become a one stop shop for the professional tradesman.”*

*(Interview 11, Regional Operations Manager, ph 150-152)*

Although their responses are more vague than interviewees after the conference, the meaning of the words is similar. ‘One stop shop’ for example is a phrase given by Store Managers and the Head of DDC. This suggests that even though the vision is not shared in formal words it is shared within an informal idea. It could be reasoned that the value proposition is being used as an internal focus for the company, at least short-term before the new vision is rolled out. Evidence for this comes from many participants who suggest that they know where they are heading even though it’s not entirely laid out for them.

“Does DDC have an overall vision?”

*I think people within the business discuss the overall vision but its not actually pinpointed and written on a piece of paper, documented and then communicated.”*

*(Interview 11, Regional Operations Manager, ph 138-140)*

Post-conference the interviewees start to use the values and key words that were presented. These 5 values or ‘5Ds’ (see appendix A17 for company literature) are repeated throughout the later interviews. Many are pointed out during interviews on the walls of offices, showing high-level penetration of the message.

*“It is things like delivering on your commitments and daring to change, driving... driving results. I bet you know the 5 Ds.”*

*(Interview 13, Communications Marketing Manager, ph 164-170)*

*“Our vision for 2006 is big, bold and brilliant.*

*Can you describe that in a bit more detail?*

*We have 5, they call them the 5 Ds, the main objectives are to delight our customers, drive for results, drive for commitment, dare to change and develop our people. So those are the main things that we are working on this year.”*

*(Interview 17, Regional Operations Manager, ph 162-174)*



**“Does DDC have an overall vision of its purpose or aim?**

*Yes it's probably been a little clouded by perhaps there wasn't complete synergy between DDC and the overall Dulux trade business. After the recent business briefing yes I think we all know where we are going. It's easy to roll out words you are spoken to for about 5 days.”*

*(Interview 14, Store Manager, ph7-10)*

However as the above quote shows, even though everyone is aware of them, it does not necessarily mean that they believe in them or are engaged.

The vision is “Big, Bold and Brilliant’ and there are three mission goals, but it is the values which are used by employees to describe the vision. The values are:

1. Develop our people
2. Drive for results
3. Delight our customers
4. Deliver on our commitments
5. Dare to change

Appendix A17 contains communication examples of the company vision literature. In terms of implementing the vision, DDC is using objectives to make it more relevant to employees.

*“I have 5 accountabilities with up to 4 objectives in each of those accountabilities, as indeed do the store managers. So mine is a regional target, the store managers have their targets, exactly the same thing, and then each member of staff also has objectives as well to achieve.*

*Are those directly linked to the values?*

*Yes they are”*

*(Interview 17, Regional Operations Manager, ph 162-174)*

The values contain most of the elements expected, but ‘Dare to change’ does stand out. Some interviewees believe that DDC had most of these values already.

*“I think where DDC probably differs from other parts of the business is we were probably doing all of them already. So we're much further forward than other parts of the paints business so it's probably easier in this business. I think we've been living them anyway. If I was being really arrogant I would probably say that maybe the business took some of those learnings from us and decided to distribute them to the wider group.”*

*(Interview 21, National Operations Manager, ph 265-271)*

So why have the new vision? One answer could be that it is not primarily needed by those interviewed. Another could be that the formalisation of this message is crucial in strengthening mindsets. These values now need to be made relevant and implemented. Some areas of the company have a slightly difference view of the values. In the operations area (Store Managers and ROMs) values are seen to be important but they still tend to focus on goals and strategy with tangible outcomes.

*"I think we need the values there, erm and they are a very nice set of values, but realistically we need to grow, we need to grow in terms of size, we need to grow in terms of capability."*

*(Interview 15, Regional Operations Manager, ph 20-26)*

"Where do you think DDC wants to be?

*DDC wants to be, I don't know, they have got another 20 stores planned for this year. I don't know how far they want to go, we are at 160 stores now, maybe 200, 250 stores and have a bigger slice of the pie and cover parts of the country that are not really covered by us."*

*(Interview 16, Store Manager, ph 208-214)*

*"I must admit, I do not focus too much on our 5 year plan. We know that we want to grow the business, we want to grow the market share in volume and in value, and also we want to increase the base with the amount of stores we have got. That is our long term goal over the next 2 or 3 years."*

*(Interview 17, Regional Operations Manager, ph 176-182)*

This shows that although the values etc have been rolled out and awareness has been created, it will be the successful implementation of these values that will cause them to be used by employees. The same underlying message comes through from all areas of the organisation, but their views tend to reflect their own areas of the business. For example store managers tend to focus more on the product and staff.

*"The vision is to be the best in the market place at what it does, and that's by ever increasing focus on training of staff so that we have got the best quality people. Innovation in product because we like to feel that we do bring new and exciting products to market."*

*(Interview 14, Store Manager, ph 116-118)*

The vision is clearly very internally focused but its outcomes should be felt externally too.

*"It's about delighting customers every time, it's about developing people, in fact it's up there actually [points at office wall], drive for results, delivering our commitments*

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*and dare to change. Now that's very internal, what we want to do externally is lead the market through innovation, deliver the best possible return for our stakeholders"*  
*(Interview 21, National Operations Manager, pp 159-167)*

This means an even stronger link between the vision and value proposition is needed in order for their effects to be synergistic rather than antagonistic.



## *A2 Emergent or planned vision*

Below executive level many participants are not aware of long-term goals. Most however are confident that more short-term goals will be expanded, as can be seen in the following four extracts.

“Where does DDC want to be, where does it see itself in 5 years time?  
*Erm, I don't know, that's not communicated so I don't know if there is.*  
 Is there any kind of timescales on these values?  
*No.*”

*(Interview 13, Communications Marketing Manager, ph 172-178)*

“So in 5 or so year's time where do you think DDC wants to be?  
*DDC wants to be, I don't know, they have got another 20 stores planned for this year. I don't know how far they want to go, we are at 160 stores now, maybe 200, 250 stores and have a bigger slice of the pie and cover parts of the country that are not really covered by us.*”

*(Interview 16, Store Manager, ph 208-210)*

“Are there any longer term goals, is there like a 5 year plan or anything like that?  
*Yes there is. I must admit, I do not focus too much on our 5 year plan. We know that we want to grow the business, we want to grow the market share in volume and in value, and also we want to increase the base with the amount of stores we have got. That is our long term goal over the next 2 or 3 years*”

*(Interview 17, Regional Operations Manager, ph 176-182)*

“And are there long term timescales?  
*I assume so, I mean when you look at what we're doing in terms of acquisitions and green fields, I'm sure there's a longer term game plan. It's probably not one I'm aware of. We tend to be working on a 1-2 year time horizon.*”

*(Interview 22, Category Manager, ph 180-182)*

This lack of long-term view could affect the mindsets of individuals within the organisation. Many have confidence in the future of DDC, but they lack any formal construct to confirm their views. The vision could be used in order to rectify this.

The vision appears to be very emergent for the lower levels C to E. Ongoing and continuous planning may suggest that these employees do not have the time to plan too far ahead which could be a weakness in terms of long-term planning but strength in terms of flexibility.

“What timescale is that on?  
*Ongoing, just always to improve*”

*(Interview 10, Commercial Assistant, ph 172-174)*

“Is there any timescale?

*I think we are ticking boxes all the time to deliver that. For example we have just taken on HSS over the last 12 months and again that is offering the tradesman a hire facility at our stores. So it is just continuous development, its not in 5 years time we will get there.”*

*(Interview 11, Regional Operations Manager, ph 154-156)*

“Is there a timescale that this is on, do they have 2 year plans here or is it more kind of emerging stages?

*I think it is emerging stages at the moment. Erm I certainly have not been privileged to any sort of 5 year vision or anything like that. It is more, this is where we are at the moment, this is our direction.”*

*(Interview 19, Store Development and Innovation Manager, ph 144-146)*

Areas B and A see more of the longer term planning but still perceive the process as a series of stages or steps. Clear elements are required as part of the jigsaw and this process seems to suggest building upon each other and an incremental form of planning allowing flexibility in goals.

“How is the vision communicated to yourself? Was that more informal?

*How it has worked this time was very much, what do we/where do we what to go as DDC, so we had a bit of a session on that which we've had a number of times. We came up with what we wanted to be as DDC and now because of the changes, UKIMT had a session with [Head of DDC] and then from there he sort of takes that forward, so it wasn't a formal session it was a bit of a 'okay, what are the key things for us going forward', 'where do we want to be' and then it comes back in quite a formal way, or it has so far.”*

*(Interview 20, Commercial Manager, ph 232-234)*

“So when we go to the next piece, and 'this is the next piece of the jigsaw we need credibility in this piece'...My answer back would be look lads I've got a list, I've ticked every box, that box is on there somewhere, but I'm not going to get it now, so I'm not even focusing any energy on it, I'm focusing on what I can achieve. When I've ticked all those boxes we'll move onto the next one.”

*(Interview 23, Head of DDC, ph 341-343)*



### *A3 Responsibility for vision*

All levels are clear where direction comes from. Most view the Executive team (area B) as the locus of determination within their company, although some do name people directly such as the Head of DDC.

“Where in the organisation in DDC is it shaped?

*The senior management.”*

*(Interview 12, Marketing Manager for Customer Loyalty, ph 176-178)*

“Where does it get that vision from?

*Erm it basically comes from the likes of [Head of DDC] erm and he obviously takes that from people above him, from Slough.”*

*(Interview 14, Store Manager, ph 112-114)*

“Is it from the Exec Board or is it mainly from [Head of DDC] or...?

*I would say from the Exec Board really, the feedback that they have with [Head of DDC]”*

*(Interview 19, Store Development and Innovation Manager, ph 140-142)*

As well as the locus of power within DDC, most mention the influence of ICI/Slough too. This is not always in a totally positive light.

*“The way that we operate is by and large we’d be part of the overall business strategy and that’s bigger than DDC, that’s the UK and Ireland Paints business. We within that will have our own strategy if you like, but it’s got to fit in with the overall aims, if you like, of the business, and which by and large they’re pretty much the same.”*

*(Interview 21, National Operations Manager, ph 153-155)*

Area D (Marketing) appears to be less driven by vision compared to Operations (areas E and F). This could be because they are closer to the value proposition and therefore don’t need the vision in the same way as others. However this is taken from interviews before the new vision rollout, which could have a large impact on the data.

“Do you feel you personally drive this vision forward or you follow it or talk about it?

*Follow it.*

Are you encouraged to raise any issues with where DDC is headed?

*You are not discouraged.”*

*(Interview 10, Commercial Assistant, ph 201-214)*

*“We don’t, I don’t think we use the vision enough. I think that it should be part of our marketing, it should be part of everything that we do. Is this, you know, helping to make us the best.*

So do you actually use the vision yourselves?



No

Do you think about it?

*Not necessarily*"

*(Interview 6, Innovation Marketing Manager, ph 311-319)*

"Do you feel you drive this vision forward yourself?

*I would like to think so yes, absolutely."*

*(Interview 15, Regional Operations Manager)*

Nearly all interviewees say that (though for some the vision hadn't been rolled out yet but even if it had), they still have a very strong idea of what the vision of the organisation is.

"So where does it get this vision from?

*Erm I think it is probably something inwardly that we all knew anyway."*

*(Interview 15, Regional Operations Manager, ph 16-18)*

*"But I think if you ask anyone, they know what we stand for, so might be a lovely bit of paper on a wall saying 'this is our vision', but most people know where we're going and that's all that matters to me."*

*(Interview 23, Head of DDC, ph208-214)*

*I think where DDC probably differs from other parts of the business is we were probably doing all of them already. So we're much further forward than other parts of the paints business so it's probably easier in this business. I think we've been living them anyway. If I was being really arrogant I would probably say that maybe the business took some of those learnings from us and decided to distribute them it the wider group."*

*(Interview 21, National Operations Manager, ph 265-271)*

This implicit understanding of DDC seems to come through from informal communications and therefore the culture of the organisation. This strong mindset of knowing what they stand for could actually come from the value proposition.

The vision, even though decided upon at ICI level, appears to fit DDC well according to B and A areas. Again, implementation seems to be key and most assume that the vision will be even more adapted for DDC through this process.

*"The way that we operate is by and large we'd be part of the overall business strategy and that's bigger than DDC, that's the UK and Ireland Paints business. We within that will have our own strategy if you like, but it's got to fit in with the overall aims, if you like, of the business, and which by and large they're pretty much the same. "*

*(Interview 21, National Operations Manager, ph 153-155)*

*We don't adapt this [vision/values] because you can't... you might change the way that that we live the values if you like...*

*How it's implemented*

*It's how we demonstrate it, how we implement it and then what we do going forward. It will only be individualised through the people we've got, because their different, you know, some people will attack it in a different way. "*

*(Interview 21, National Operations Manager, ph 205-217)*



#### *A4 Informal/formal communication of vision*

The main continuum this research uses when developing its 'method of communication' questions, is formal versus informal. However, the data highlights that another set of variables is needed: indirect and direct communication. These are given through employee's objectives (indirect) or posters (direct) and are used to influence mindsets.

"In terms of transmitting that through the company, how is that gone about? You've mentioned stages but is that more formal or informally or?

*We're looking to do a mix of both so we're trying to build it into everything, so you've had the conference, you now have, along the lines of the values, we have awards, so annual awards which are going to be broken down into quarterly, so every quarter will be a 'dare to change' person, because they've done something that's different, so we're trying to get it built into everybody. We're going to roll it through into everybody's objectives, so instead of maybe in marketing you'd have them split by brand development or customer, we're going to turn that around and use the values, to put those in. We've got posters and bits and pieces going up as we speak, and then we've all got a presentation to give to all of our teams, they're getting material, and reminder things and more explanation.*

So really it's trying to become more part of the culture of the company?

*Yes, absolutely."*

*(Interview 20, Commercial Manager, ph 222-230)*

The main way of communicating within DDC appears to be informal. The Head of DDC attempts to demonstrate the mindset of DDC by setting a clear example, as he believes that formal communication doesn't work on its own.

*"If you do everything by magazine or poster it just, and I've seen it in lots of companies, people just ignore it and the other thing is I think there's no point in having values, if me and John and everyone, if we don't demonstrate those values they're worth nothing. So more and more, they'll be in everyone's objectives, that is a piece of paper that is relevant to me. And I actually think we work pretty much like that, you know dare to change, deliver on our commitments, it's just making sure that everyone works and you almost don't need them there should be a point where you don't need the posters."*

*(Interview 23, Head of DDC, ph244-252)*

Therefore awareness of the message is not the end goal, it is the behaviour of employees that needs to be changed, and thus implementation not just communication is key. As the quote below illustrates DDC is using both indirect (behavioural) and direct (cognitive) in order to influence culture and develop a strong company mindset.

*"Alan Leighton, chairman of the Royal Mail now, he's a retailer he's very different: 'you don't want a vision, what do you want that for, people know' and his end game*



*is that when people walk into the building and they're like 'that's a bit odd and that's a bit odd', but everyone should say "well that's the way we do things round here. We get stuff done". And I suppose for me that's what I want."*

*(Interview 23, Head of DDC, ph244-252)*

Interviewees from C to F areas generally respond with only direct and formal methods. They could be unaware of the indirect methods because of their nature or because they haven't been implemented yet, only planned by those higher up within DDC.

*"So the conference is mainly where the vision is communicated?*

*Yes.*

*Is there any other time of the year where it's done or is that the main one?*

*No, unless there was a specific reason for getting people together."*

*(Interview 12, Marketing Manager for Customer Loyalty, ph 204-210)*

*"Does it come through anyone else? Does it come indirectly through your ROM?*

*It does because at every meeting we will discuss the operations of our region and discuss nationally and then we will look at what has been said and there will be a follow on each month.*

*So it's more informal.*

*Yes, it is all pretty informal but that seems to be the way the company is but it does get it across without, there is no need to shout I don't think."*

*(Interview 16, Store Manager, ph 224-230)*

Areas A & B interviewees are much more aware of both direct and indirect communication of vision but formal-direct methods are still emphasised more, perhaps due to the timing of interviews i.e. this is the early stages of communication where high visibility is required.

*"We're looking to do a mix of both so we're trying to build it into everything, so you've had the conference, you now have, along the lines of the values, we have awards, so annual awards which are going to be broken down into quarterly, so every quarter will be a 'dare to change' person, because they've done something that's different, so we're trying to get it built into everybody. We're going to roll it through into everybody's objectives, so instead of maybe in marketing you'd have them split by brand development or customer, we're going to turn that around and use the values, to put those in. We've got posters and bits and pieces going up as we speak, and then we've all got a presentation to give to all of our teams, they're getting material, and reminder things and more explanation."*

*(Interview 20, Commercial Manager, ph 222-230)*

There are however exceptions to this rule. Therefore some kind of communication on these methods must be occurring.

“So is there any other thing during the year that is actually communicated. Is there anything else?

*Well we do have the regular performance reviews, we do those quarterly, where each member of staff has an update on his or her performance for the year. And again we would reiterate those values and those core things.”*

*(Interview 17, Store Manager, ph 192-206)*

Although the vision can be communicated informally it can still be direct.

“How often do you discuss the overall direction of DDC with anyone within the company?

*Erm on a fairly regular basis, its open conversations in the office.*

So it is quite informal?

*Yes generally informally.*

And that is just ..

*Yes just as things are changing or moving on yes.”*

*(Interview 10, Commercial Assistant, ph 116-126)*

However the informal method does lack the control of more formal communications and depends on individual mindsets to act as filters.

“Is it transmitted any other way apart from the conference, in any informal ways?

*Erm that would depend very much on the strength of the various line managers. I would like to think with most operational teams out in the field absolutely yes. I think on this floor of this building yes”.*

*(Interview 15, Regional Operations Manager, ph 56-58)*



### *A5 Frequency of communication of vision*

Areas A to B concur that they are trying to communicate the vision in multiple ways.

*“You’ve mentioned stages but is that more formal or informally or?”*

*We’re looking to do a mix of both so we’re trying to build it into everything.*

*(Interview 20, Commercial Manager, ph 222-230)*

*“How often do you discuss the overall direction of DDC informally?”*

*All the time”*

*(Interview 21, National Operations Manager, ph 238-244)*

*“So more and more, they’ll be in everyone’s objectives, that is a piece of paper that is relevant to me. And I actually think we work pretty much like that, you know dare to change, deliver on our commitments, it’s just making sure that everyone works and you almost don’t need them there should be a point where you don’t need the posters.”*

*(Interview 23, Head of DDC, ph 244-252)*

However areas C to F speak about the vision of DDC being communicated more infrequently. The main ways that are highlighted are some informal day to day discussion and at the (formal) conference or meetings.

*“How often do you discuss the overall direction of DDC with anyone within the company.”*

*Erm on a fairly regular basis, its open conversations in the office.*

*So it is quite informal.*

*Yes generally informally.”*

*(Interview 10, Commercial Assistant, ph 116-126)*

*“Erm I would say the overall direction of the company is really only discussed probably once a year and that’s at conference time. Purely and simply because in conversation with my immediate line manager we probably wouldn’t discuss at any length the direction of the company.”*

*(Interview 14, Store Manager, ph 84-86)*

*With store managers does it [the vision] ever come up?*

*With store managers you will touch on it at every team meeting to a certain extent. ...*

*They need to know what the end is. We are having this paint because this is where we want to be.”*

*(Interview 15, Regional Operations Manager, ph 180-190)*

Store Managers (area F) state that only at the conference do they discuss the vision, whilst their direct line-managers (ROMs, area E) say that it is discussed regularly in meetings. This raises the question of whether the meaning of the vision is clear during questioning or whether ROMs and Store Managers have different mindsets themselves



and therefore a different understanding of the vision of DDC. For instance the ROM may be more aware that all decisions are implicitly influenced by the vision, whereas the Store Managers only consider explicitly discussing the direction of DDC to be valid.

“How often do you discuss the overall direction of DDC with anyone within the company?”

*I would say on a weekly basis we would discuss it.”*

*(Interview 11, Regional Operations Manager, ph 104-106)*

*“Erm I would say the overall direction of the company is really only discussed probably once a year and that’s at conference time. Purely and simply because in conversation with my immediate line manager we probably wouldn’t discuss at any length the direction of the company.”*

*(Interview 14, Store Manager, ph 84-86)*

“With store managers does it [overall direction of DDC] ever come up?”

*With store managers you will touch on it at every team meeting to a certain extent. There is invariably always some sort of new initiative, and I think if you just tell people we are doing this and this is what I need you to do, they need to know why you are doing it. They need to know what the end is. We are having this paint because this is where we want to be.”*

*(Interview 15, Regional Operations Manager, ph 180-190)*

“How often do you discuss the overall direction of DDC, the bigger scale?”

*That is something really at the conference”*

*(Interview 16, Store Manager, ph 104-106)*

### *A6 Impact of vision*

People throughout all areas of DDC believe that they drive this vision forward. Therefore it could be argued that the vision drives them.

*“Do you feel you personally drive this vision forward or you follow it or talk about it? Very much so, talk about it on a daily basis.”*

*(Interview 11, Regional Operations Manager, ph 174-176)*

*“Do you feel you personally drive this vision forward yourself?*

*Yes*

*Does everybody do that, do you talk about it?*

*Well as I say it is a very open forum and I think we do have a lot of sharing erm going on within the stores.”*

*(Interview 14, Store Manager, ph 132-138)*

The new vision appears to give some formalised clarity to all employees, even those who said they implicitly knew where they were headed. Also it could give a clear long-term goal that is lacking (see A2) and therefore allows focus on more short-term goals. Also it could give employees a broader view of the company and allow systems thinking to develop. The following two extracts help to summarise these ideas.

*“Do you hope that this vision will drive people forward or...?*

*I think people, certainly within the commercial team, have been waiting for some clarity, because there's been so many changes in how the business has evolved, we've bolted on a bit here and a bit there and a bit there and where does DDC fit in all of that, which is a really political thing, so it's difficult to explain, and difficult to communicate as well because it causes us issues as well when it gets outside the business ...people want something to say 'yes right we know what that is now, we can stop worrying about the fact that the business doesn't have a clue where it's going, because they've now proved they do, so we'll just get on with what we're doing.”*

*(Interview 20, Commercial Manager, ph 252-254)*

*“So the culture was always there: they've known how to do their job, but the vision gave them a long term focus on where they were headed.*

*Yes definitely and the way I view it, the way I explain it to people. In the store managers meetings for example, the day to day mindsets are the building block for the long term vision and what people didn't understand and they weren't given the right information to understand was 'if we do this, it might be frustrating but it leads to this'.”*

*(Interview 23, Head of DDC, ph 341-343)*

This communication of long-term viewpoint is seen as a critical step forward by areas B and A in developing a strong DDC mindset as illustrated by the following two quotes.



“So what does the vision give you over that? You’ve said you’ve had this culture before?

*We’ve had that culture if you like, what we’ve not had in the past is a clear indication of where we’ve been heading. I think we now know what the goal is.*

Right, so it’s more long-term rather than day to day.

*Yes, and I think that because people understand what the company’s trying to achieve we’ve never shared it...it’s like most companies sit and do the usual vision, the mission, the values, the strategy document and the strategy document gets locked in draw for 5 years and nobody knows that they’re working towards it. I think that’s what’s changed, we’re a lot more open with our communication.”*

*(Interview 21, National Operations Manager, ph 275-281)*

*“Yes, I think it will. My theory is now that we have it, it’s written down and it’s easy for everyone to understand, because it is very simple, then we go through the brand planning processes, planning processes every year and we’ve now given ourselves a framework to plan the short-term milestones to get to the end vision.*

And what do you hope the impact of this will be?

*Everybody going in the same direction.”*

*(Interview 20, Commercial Manager, ph 266-278)*

In lower areas within the organisation, (below A and B) the communication of the vision is not seen as regular enough. For example that the conference gives motivation but its impact fades.

“Do you feel that [conference] drives you forward?

*It does for a short period, yeah, yeah.”*

*(Interview 8, Marketing Assistant, ph 282-284)*

“Okay, do you feel yourself enthused by the aims of the company?

*Fits and starts*

Why is it fits and starts?

*It’s like I was saying [Head of DDC/ICI Paints] do a big rallying type thing, it’s put into the start of the year, everything’s like, I’ve got a new budget, it’s all go and then by the middle of the year it’s like [sighs]. No money left, nobody wants to do this and it’s...”*

*(Interview 8, Marketing Assistant , ph 312-320)*

The vision is said to be discussed throughout the organisation. The culture within DDC appears to be very open and attentive.

“Does everybody do that, do you talk about it?

*Well as I say it is a very open forum and I think we do have a lot of sharing going on within the stores.”*

*(Interview 14, Store Manager, ph 132-138)*



### *A7 Reach of vision*

Even before the new vision roll out it appears that the message of the vision has been communicated to all areas interviewed. Mostly this took place through informal methods.

*"I think through the fact that within head office and within the business people talk a lot, people get an understanding of where we are trying to be, we are trying to open new stores, we are trying to grow as a business. Erm we discuss the brands and other opportunities and people from various discussions around the business have a fairly solid understanding of where we want to be."*

*(Interview 11, Regional Operations Manager, ph 142-144)*

The areas in the organisation where traditionally the vision hasn't been communicated are the more functional areas such as IT and Finance. This has changed recently for example in the Telesales team.

"Do you think that everybody shares all of that vision, any areas of the organisation where its different?

*I would say very much within pockets within head office, so for example financial accounts deal purely with the financial information of the business. Marketing deal very much with the vision and are on the front of the wave and there are certain departments behind that possibly aren't. Also I would say in stores, there are some stores less so than others.*

*(Interview 11, Regional Operations Manager, ph 162-167)*

"Any particular areas?

*I think the communication down through a team is not necessarily that good.*

*Through this team or...?*

*Through other teams. People go to the conference if they are at a certain level of management and I am not sure that everybody who doesn't go gets the same..."*

*(Interview 12, Marketing Manager for Customer Loyalty, ph 192-202)*

"And do you think everyone will share in the whole of the organisation shares that? Are there any areas that will be weaker in?

*Yes, I think there are some areas that sit in the building that...they almost work for us but they don't work for us, so finance. There are areas on the finance floor where people have been neglected; they'll be a big focus this year on them. You've got finance and IT which are basically they sit here ... and they've been neglected so we're going to be more inclusive.*

*(Interview 23, Head of DDC, ph 234-240)*

Below Store Manager is seen as a weaker area for communicating the vision too. This is due to the employee's motivation rather than the company.



*“the other pocket is how do we get the message across more consistently and more strongly below store manager level, so I think we’re doing an okay job to store manager...it’s how am I sure that every van driver, who at the end of the day is the end of the chain, how do I make sure he understands.”*

*(Interview 23, Head of DDC, ph 234-240)*

“Do you think that everyone shares all of that vision, are there any particular areas of the organisation that don’t?

*I think the further down the pecking order you go, when you start getting into part time members of staff and drivers, they don’t feel that they do share in that but I think the work we have done with the Viewpoint Q12 training last year will actually bring them into that. The ultimate goal of every company is to increase the share price, well the guy who works 12 hours a day he couldn’t give a monkey’s about what the share price is.”*

*(Interview 17, Regional Operations Manager, ph 188-190)*

“Do you think everybody in the company shares all of that vision, are there any particular areas of the organisation that don’t maybe.

*Yes I would have to say it would be stupid just to think that everybody right down to the, I don’t mean this derogatory, but down to the van driver in every store would necessarily be aware of it. I think there is no excuse for all our store managers not to be aware of it. I am sure there will be some cynical people out there who don’t believe in it because I think you get that whatever you do.*

*(Interview 18, Sales and Innovation Manager, ph 164-170)*

The commercial team (areas C & D) is seen as the area in which the vision is at its clearest and this appears to be the case from their interviews. This could be because of the vision however it could be because they are so close to the value proposition giving them a clear perspective of the organisation’s goals

“Do you think everybody in the whole company shares all of that vision.

*I think we have made a lot more steps forward in the last 6 months I think if you go from accept level to regional management level. If you look at the key functions within this building, well if you look at certain key functions in this building, marketing and supply chain yes. I do think you have a lot of people in this business, and even in this building, if you went to them and said, how did we do last month, where are we to date in terms of commercial performance, they wouldn’t have a clue. Why is that?*

*I think it is two things, I think we are selective as to who we share sales and commercial data with which doesn’t help. And I think as in any quite large organisation you will get people who are really engaged and want to know, they know they are in this building because there are 160 stores out there selling products. And you will get other people as in any walk of life who come in, do a reasonable job and go home and switch off.”*

*(Interview 15, Regional Manager, ph 36-42)*



“Do you think everybody in the organisation shares all of that vision, or are there any particular areas of the organisation that don’t.

*I think there are areas that get it better shared. Particularly in the commercial team we seem to have a lot of exposure to that vision and I know from coming from the operations side of it it is the operations side that doesn’t really get to share an awful lot of the plans, the visions, the strategies, whereas I feel that they actually should do. They are the people on the ground. I think it does vary, there are people who don’t know very much about it at all, a lot of people on the middle floor who work in finance, who just process invoices all day, they are not privy to the likes of that. The IT department don’t either.”*

*(Interview 19, Store Development and Innovation Manager, ph 148-150)*

As in any organisation there will also be individuals who will not be engaged with the vision. Therefore personal motivation should be seen as a key part of implementing the vision.

“So there is no difference between what’s said and what’s actually done?

*There probably will be definitely. There will be some people who take it a lot more on board than others.”*

*(Interview 13, Communication and Marketing Manager, ph 196-202)*

On the operations side of the organisation, as shop staff are distributed around the country and therefore quite isolated, ROMs and store managers are the key to driving it in store. They have a high responsibility as part of the chain which filters the vision down.

*“Its very easy, the words are that big, conversation is that big. Erm we are going to delight our customers, well OK thats good. But to actually get hold of a van driver and say, well OK what does a delighted customer look like and how are you going to play a part in it.”*

*(Interview 15, Regional Managers, ph 48-54)*

“Does it come through anyone else? Does it come indirectly through your ROM..

*It does because at every meeting we will discuss the operations of our region and discuss nationally and then we will look at what has been said and there will be a follow on each month.*

So it’s more informal?

*Yes, it is all pretty informal but that seems to be the way the company is but it does get it across without, there is no need to shout I don’t think.”*

*(Interview 16, Store Manager, ph 224-230)*

“So the people who are unaware of it, are they in a particular place in the organisation?

*I would say they would be more likely to be in stores because communication is a lot more regular within Head Office, and to store managers that is a lot more regular. The way that we get information to a lot of these people who work in the stores is by*



*cascading it via their management structure, and some are good at cascading some are bad. You also get the case I would guess where if a manager is a little bit cynical, the way that he transmits that back down to his staff could be tinged with a little cynicism.*

*(Interview 18, Sales and Innovation Manager, ph 172-178)*

*“Is the vision pushed downwards or upwards, it is cascaded downwards you said? Yes, really. Input comes upwards if you like but then when the vision is formulated it is then cascaded down.”*

*(Interview 18, Sales and Innovation Manager, ph 236-238)*

### *A8 Perception of DDC*

Interviewees are asked to describe the type of cars that DDC would be. This allows richer and more tacit perspectives of the company to emerge. All areas within the company give cars with very similar characteristics. The main shared elements are: premium, quality, high-powered and not too flashy. Marketing (area D) give slightly differently focused characteristics, representing the more reliable and bigger car i.e. a 4x4. The researcher realises that this may be influenced by the type of car driven by participants, with the higher management having a premium 'executive car', however it does allow their view of the company to be explored indirectly.

After the 'what car would DDC be?' question, participants were asked if DDC actually should be that or something different. Many areas gave the same car but wanted a more 'flashy' model. This shows that most are not totally content with the company and have a drive to improve. This strong mindset attribute is discussed later.

Even though customer service and staff are seen as their main differentiators (see B2) not one interviewee mentioned a 'helpful' family car. The car seems to reflect the brand and the market more by being an executive or trade car, especially at store level. The operations areas (E and F) see product/brand quality as key factor in their view of the company. Below are some extracts that highlight the above findings.

#### Area A:

*I would say it's an Audi, because Audi's are as good as a BM or a Mercedes or whatever, but it isn't in your face and it does fit with that.*

*(Interview 23, Head of DDC, ph 192-194)*

#### Area B:

*"What should it be then?*

*I think it should be an Audi type car.*

*Why is that?*

*Because it has value but it's not too flashy, it does what it's meant to do. It wouldn't be a Porsche because that adds loads of things that people don't really need.*

*So value but premium?*

*Yes*

*So that's what it is or are you trying to get there?*

*Yes. That's where we are trying to get to, but it's a long way off."*

*(Interview 20, Sales and Innovation Manager, ph 142-156)*

## Area C:

*"DDC is probably an Audi A4 1.9TDi.*

*Why is it that car?*

*Erm it is a decent looking car, it is a premium brand, erm it is reliable, erm it is not too smart, it is not too flashy."*

*(Interview 19, Store Development and Innovation Manager, ph 108-118)*

## Area D:

*It would be a Land rover type thing, quite flashy, purposeful, strong.*

*Is that the type of car that DDC should be aiming to be?*

*I think it is aiming to be better than that.*

*In what way?*

*I think it would like to be faster and sportier.*

*(Interview 10, Commercial Assistant, ph 148-158)*

## Area E:

*"To me it would probably be a Volkswagen or something like that. Something that was very reliable, you know what you get, its good value for money, and at the same time its pitched above the price of other cars in its category but not out of reach.*

*Is that the type of car that DDC should be aiming to be?*

*Yes but maybe the GTi version"*

*(Interview 11, Regional Operations Manager, ph 130-136)*

*"Mercedes.*

*Why would it be a Mercedes?*

*Because it is a very, very smooth operation and it is a superior brand.*

*And is that what it is or what it should be?*

*There is no doubt the brand is superior, it has got market share, and I think that the quality of our operation is very good."*

*(Interview 17, Regional Operations Manager, ph 144-154)*

## Area F:

*"It would have to be a BMW, Mercedes*

*Why is that?*

*Because it is a quality product, a quality offering.*

*And is it that or is it trying to be that?*

*No, it is that."*

*(Interview 16, Store Manager, ph 168-178)*

As a second reflective question interviewees are asked to describe DDC as an animal. Again the overriding responses show similar mindsets within DDC. The main characteristics given are: strong, quick, powerful, big and reliable, and that it can take care of itself but is not too aggressive without reason. Also the pace of the business is



often reflected in the animal. In terms of the actual animals given, in they were elephants, carthorses, bears, lions etc. The extracts below highlight some of these findings.

*“Again, strength and power... and you know, we’re not actively going out to destroy other companies, in the same way that I suppose a lion would not necessarily go out and do that. It would threaten...”*

*(Interview 7, Marketing Manager for Store Development, ph 326-336)*

*“Again, I’d probably go for something like a tiger. Quite aggressive to some degree, but sort of revered and looked upon as something a bit special.*

*It can take care of itself?*

*Yes*

*And is that how you want your customers to view you?*

*Yes, I think so. I think having an association that where our shop... it’s the perception that our shop is a quality place, therefore my customers will also know that I’m buying into quality therefore I’m a quality decorator.”*

*(Interview 22, Category Manager, ph 202-212)*

*“If DDC was an animal what would it be?*

*It was probably formally an elephant, it has now probably progressed to something a little bit quicker, so at the Zebra stage and we need to get to the cheetah level. Its all about pace.*

*(Interview 15, Regional Operations Manager, ph 76-82)*

In terms of their perception of DDC within ICI (the parent company), all reflect that DDC has a very different culture. A slower pace is highlighted and other barriers to work causing friction and frustration are seen throughout all levels of DDC, therefore it appears that the identity of DDC is very strong when positioned against ICI and not with. The new vision could be being used in order to bring them together in mindsets and focus. Generally interviewees believe that DDC are much faster paced and embrace change better. This extracts below highlight these opinions.

*“I think certain people get very uncomfortable with it because they have been used to the same pace for an awful lot of years. We do have quite good employee retention.*

*So in terms of what is holding you back from doing that its more of the mindsets and the culture?*

*I think its partly culture, I think partly we are trying to entice other areas of the business, the Slough people, to let us go that way.”*

*(Interview 15, Regional Operations Manager, ph 208-222)*

*“Are there anything’s which cause constant disagreements or constant barriers?*

*Yes, there’s a relationship between us and Slough, but it is an issue. If you looked at most of the frustrations in the business they’re driven between the relationship*



*between DDC marketing and Slough marketing [etc] because we work at a different pace, so at each stage where they're there and we've moved on because it's in stores and the sale-force and they're the main friction points."*

*(Interview 23, Head of DDC, ph 409-411)*

*"Do you think that DDC actually has different ways of thinking than the rest?*

*Yes I think ICI in terms can be a little bit slow in its ways of going forward. I think DDC is much more fast thinking than them. Everything seems to be through committee with ICI.*

*Why is that?*

*I think that is the structure that has always been there. So it is a long-standing company and I think the senior people in there are very cautious in a very buoyant market*

*(Interview 17, Regional Manager, ph 280-290)*

*"Are there any other barriers that you are constantly against?*

*The only other barriers relate back to the political environment that we live in where we compete with ICI strategic partners. So that does provide its own set of challenges."*

*(Interview 19, Store Development and Innovation, ph 228-230)*

*"Are there any things which cause constant barriers?*

*I think when you start to talk about paint and things and dealing with Slough, head office and the head-office mentality, it isn't the same as the DDC...*

*What about it is different, is it culture or...*

*Yes I think it's cultural. I think there's a lot of cultural... the view that there's an arrogance and they don't look at what's happening in the market forces and things and what customers are trying to do and it's "well, we are ICI we can do this, we don't have to account for market forces and things" and it's just so slow. It's such a big organisation that to get a decision made it takes months and months and it's really slow. Whereas here, you know, people are making decisions everyday and there's a no blame culture here, in terms of, you make a decision, you go with it, if it doesn't come off it's "hey I hope you've learnt from it, let's move on let's do something else"."*

*(Interview 22, Category Manager, ph 248-254)*

Also the data shows how DDC's relationship and systems thinking in terms of its parent company is slowly changing.

*"How has that [mindset] changed?*

*Most people would have said we don't do anything, we don't have any... we can't achieve anything. I can still hear the comments in my head. Slough tell us this, Slough tell us that and I think what's happened is and you hear it from the sales-force now, we were the underdog and I'd say the roles have reversed and that's very powerful for the people within DDC, fairly soul destroying for people elsewhere, but it's very powerful."*

*(Interview 23, Head of DDC, ph 198-200)*

“Are there any things that cause constant barriers which affect your work?.

*In the past I probably would have said yes to that which would have been the policy that ICI have regarding independent merchants versus the Dulux Decorating Centres and the very fine balance we have. That is starting to become less of a problem because of new senior management within ICI, attitudes are changing, I think the DDCs are considered to be a lot more important now than they probably were 3 or 4 years ago.”*

*(Interview 18, Sales and Innovation Manager, pp 252-254)*



#### 4.1.2a Summary of section A findings

##### *Summary of findings: A1 What is their vision?*

- Vision and strategy and mission statement appear interwoven and inseparable in levels B and A
- In terms of how the new vision is being utilised, many interviewees see it as bringing together the wider organisation, but also being relevant to smaller areas in the organisation is a key part in its implementation.
- Pre-conference participants tend to give more general answers for the company vision, but although their responses are more vague than interviewees after the conference, the meaning of the words is similar
- Post-conference the interviewees start to use the values and key words that were presented. This shows high-level penetration of the message. However even though everyone is aware of them, it does not necessarily follow that they believe in them.
- In terms of implementing the vision, DDC is using objectives to make it more relevant to employees.
- Some interviewees believe that DDC had most of these values already.
- Some areas of the company have a slightly difference view of the values. In the operations area (Store Managers and ROMs) they still tend to focus on goals and strategy with tangible outcomes.
- Same underlying message comes though from all areas of the organisation, but their views tend to reflect their own areas of the business. For example store managers tend to focus more on the product and staff.
- The vision is clearly very internally focused but its outcomes hope to be felt externally too. This means an even stronger link between the vision and value proposition is needed in order for their effects to be synergistic rather than antagonistic.

##### *Summary of findings: A2 Emergent or planned vision*

- Below executive level many are not aware of long-term goals. Most however are confident that more short-term goals will be expanded
- Many have confidence in the future of DDC, but they lack any formal construct to confirm their views.

- The vision appears to be very emergent for the lower levels C to E., whereas areas B and A see more of the longer term planning but still perceive the process as a series of stages or steps.

*Summary of findings: A3 Responsibility for vision*

- All levels are clear where direction comes from. Most view areas A and B as the locus of determination within their company.
- As well as the locus of power within DDC, most mention the influence of ICI/Slough too. This is not always in a totally positive light.
- Area D (Marketing) appears to be less driven by vision compared to Operations (areas E and F).
- Nearly all interviewee say that they had a very strong idea what the vision of the organisation was pre-vision rollout. This strong mindset of knowing what they stand for could come from the value proposition.
- The vision, even though decided upon at ICI level, appears to fit DDC well according to B and A areas. Again, implementation seems to be key.

*Summary of findings: A4 Informal/formal communication of vision*

- The data highlights that another set of variables is needed to explore communications of the vision: indirect and direct communication.
- DDC is using both indirect (behavioural) and direct (cognitive) in order to create cultural change and strong company mindset.
- The main way of communicating within DDC appears to be informal.
- Awareness of the message is not the end goal, it is the mindsets and behaviour of employees that needs to be changed, and thus implementation not just communication is key.
- Interviewees from C to F areas, in the main, respond with only direct and formal methods whereas A & B interviewees are much more aware of both direct and indirect communication of vision.
- Although the vision can be communicated informally it can still be direct. However the informal method does lack the control of more formal communications and depends on individual mindsets to act as filters.

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***Summary of findings: A5 Frequency of communication of vision***

- Areas A to B concur that they are trying to communicate the vision in everything they do, whereas areas C to F speak about the vision of DDC being communicated more infrequently.
- Store managers (area F) believe that only at the conference do they discuss the vision, whilst their direct line-managers (ROMs, area E) say that it is discussed regularly in meetings. This raises the question of whether the meaning of the vision is clear during questioning or whether ROMs and Store Managers have different mindsets themselves and therefore a different understanding of the vision of DDC.

***Summary of findings: A6 Impact of vision***

- People throughout all areas of DDC believe that they drive this vision forward. Therefore it could be argued that the vision drives them.
- The new vision appears to give some formalised clarity, long-term goals and broader view of the company to employees. This communication of long-term viewpoint is seen as a critical step forward by levels B and A in developing a strong DDC mindset.
- In lower areas within the organisation, (below A and B) the communication of the vision is not seen as regular enough. For example that the conference gives motivation but impact fades.
- The vision is said to be discussed throughout organisation. The culture within DDC appears to be very open and attentive.

***Summary of findings: A7 Reach of vision***

- Before the new vision roll out it appears that the vision has been communicated to all areas interviewed. Generally this takes place through informal methods.
- The areas in the organisation where traditional the vision hasn't been communicated are the more functional areas such as IT and Finance.
- Below Store Manager is seen as a weaker area for communicating the vision too. This is due to the employee's motivation rather than the company.
- Commercial team is seen as the area in which the vision is at its clearest and this appears to be the case from their interviews.



- As in any organisation there will also be individuals who will be engaged with the vision. Therefore personal motivation should be seen as a key part of implementing the vision.
- On the operations side of the organisation, as shop staff are distributed around the country and therefore quite isolated, ROMs and store managers are the key to driving it in store.

### *Summary of findings: A8 Perception of DDC*

- All areas within the company give cars with very similar characteristics to reflect DDC. The main shared elements are: premium, quality, high-powered, not too flashy.
- Marketing (area D) give slightly differently focused characteristics, representing the more reliable and bigger car i.e. a 4x4.
- Many employees are not totally content with the company and have a drive to improve.
- The car seems to reflect brand and the market more, by being an executive or trade car, this is especially at store level.
- The main characteristics of DDC as an animal are: strong, quick, powerful, big and reliable, and that it can take care of itself but is not too aggressive without reason. Also the pace of the business is often reflected in the animal.
- In terms of their perception of DDC within ICI, all reflect that DDC has a very different culture. A slower pace is highlighted and other barriers to work such as friction and frustration are seen throughout all levels of DDC. In the main interviewees believe that DDC are much faster paced and embrace change better.
- It appears that the identity of DDC is very strong when positioned against ICI and not with. The new vision could be being used in order to bring them together in mindsets and focus.
- DDC's relationship and systems thinking in terms of its parent company is slowly changing for the better.

## Findings: B. Value Proposition

### *B1 What do they stand for?*

All interviewees give a facet of the same value proposition stemming from their point of view. For example store managers:

“Can you just tell me what DDC tries to stand for in this market?

*Putting the decorator first, trying to ensure that we become the first choice for the trade professional for all of their needs that they need to complete their job.”*

*(Interview 19, Store Development and Innovation Manager, ph 8-14)*

Areas E and F give extremely similar viewpoints in terms of what they stand for, namely quality of service and product. This may be because they work closely together and are in frequent contact with the service and product itself.

“What do you think DDC tries to stand for in this market?

*I would say quality, value and a one stop shop for the trade and user.*

In terms of value what do you mean?

*Value I mean a good quality product at a competitive price, not the cheapest but good value for money.”*

*(Interview 11, Regional Operations Manager, ph 8-14)*

Only few interviewees when asked ‘what the company stands for’ recognise the customer rather than the product or service. The areas which do include the customer are mainly based with head office (D,C & B mostly) and not operations (areas E and F).

“What does DDC try to stand for in this market, what does it try to be?

*Friendly, specialist, I think it tries to be leading, erm, and a quality organisation for its customers.”*

*(Interview 12, Marketing Manager for Customer Loyalty, ph 8-10)*

“What does DDC try to stand for in this market?

*To be the best premium added-value. So giving the customers what they need and a little bit more.”*

*(Interview 20, Commercial Manager, ph 8-10)*

Again there is a mindset attribute of doing well and improving throughout all areas.

“Do you think DDC is completely successful in this [what it stands for]?

*Erm yes, I think there is obviously things that you can do better but I think erm the scope within which we work erm we do do quite well.”*

*(Interview 13, Communication Marketing Manager, ph 12-14)*

“Do you think that DDC is completely successful in this?

*Not completely I don't think. I don't think it would be fair to say completely successful. I think getting more successful at it.”*

*(Interview 18, Sales and Innovation Manager, ph 12-14)*

The actual value proposition from all areas appears to be a quality product and service, first choice and a one stop shop with added service. This is confirmed by the Head of DDC as what the value proposition should be and he adds that people are an important part of this too.

“Views are that DDC stands for quality of product and service, first choice, that it should be a one-stop shop with expert knowledge. Would you agree with that?

*Yes, definitely.*

[Do you] have anything to add?

*For me people are at the middle of it all.*

*(Interview 23, Head of DDC, ph 18-24)*

*“We are not in the business of selling cheap paint or cheap anything, so we are the premium brand in the market place and we're going to exploit that because people almost feel guilty that we do. I'm quite straight on it. There are areas that we need to be more competitive on but we will never be the cheapest.”*

*(Interview 23, Head of DDC, ph 415)*



## ***B2 Differentiation***

The following findings are broken down by area. From their view on differentiation, executive board members (area B) appear to be very customer focused.

“You mentioned it before but in what way are you different to your rivals?  
*I think it is the relationship we build with the customers to be honest. If you were to observe our store staff in operation in a morning when the place is full of decorators, they have a very close, almost friendship with the decorators. It sometimes gets in the way of selling, but I think it is the close relationship and the trust that we build with the customer.”*

*(Interview 18, Sales and Innovation Manager, ph 56-58)*

Within area C (commercial team/middle management) there is a clear divide in opinions. The marketing managers focus on customer service whereas the category manager unsurprisingly focuses on product.

“In what way are you different to your rivals?  
*I would say it is purely from a service perspective. We have nationwide coverage of a free delivery service, we pride ourselves with having the best advice available in store, the most highly trained staff, and I would say that it is that that we look at and the people that run the stores that really sets us apart from our competitors.”*

*(Interview 19, Store Development and Innovation Manager, ph 40-42)*

“In what way would you say you’re different to your rivals? What makes you stand out?

*I think the fact that we do have the premium brand of paint, particularly Dulux and that is recognised as the best paint in the market and is the clear market leader”*

*(Interview 22, Category Manager, ph 36-38)*

Area D has mixed responses to differentiation. Four out of six believe that brand strength is the difference, whilst the remaining two believe it is the stores. The Regional Operation Managers (area E) seem to reflect their own role in the company, focusing primarily on margin even though they recognise that this comes from service and product.

“In what way would you say you are different to your rivals?

*We focus on margin rather than total sales. As a business we are very very focused on business retention. So versus our key competitors I would say they would target our customers purely on a price basis whereas we try and lock in our customers on a relationship. So we work with our customers to provide a top quality service and deliver the right product at the right time. Therefore charge a premium for that service which delivers a greater margin.”*

*(Interview 11, Regional Operation Manager, ph 44-46)*

In terms of area F (Store Managers) product quality is mentioned but customer service seems to be key differential to them. This differential seems to emanate from mindsets within the stores.

“So what would you say that actually gives you that difference then, what enables you to do that?

*The culture that is in the stores, this is what we do. Like for delivery, if we get an order in before half past nine we will deliver the same day, even with stores that, like we don't have a van in Altrincham but we take an order and we will get it out to a store in the post code area and you will get it that day.”*

*(Interview 16, Store Manager, ph 40-46)*

Overall the focus of interviewees when asked to describe DDC's differential is on the service in stores. Area D is slightly different as it tends to focus on brand whereas the operations side tends to focus on their products too. The higher levels within DDC are clearer in their focus on service and the customer. The Head of DDC, argues that the reason that the Dulux brand is not their primary differentiation is that this strength allows them to focus on service.

*“I think we're in a fortunate position where we actually...the brand is so strong, that from a DDC point of view, we just almost take the Halo effect and then we focus on service so we're quite fortunate. It's almost a one-off situation where your brand is so strong... Because we don't have to worry about the brand. So it's more “what can we do for you as an individual decorator”.”*

*(Interview 23, Head of DDC, ph 50-60)*



### *B3 Marketing Assets*

There seems to be a slight clash of ideas in area C in terms of marketing assets. One response is that the in-store staff needs more training whilst another responds that they are highly skilled. However, with the knowledge of the company from the above findings, this could be put down to the DDC mindset of being driven for constant improvement rather than a real divergence in opinion.

*"I would say that it is ... the people that run the stores that really sets us apart from our competitors.*

*And do you think you make the most of them?*

*I think there is a long way that we can go with our people to be honest, I think that there is a lot more training that we could give to our staff, erm there is a lot more development that we could be putting in to our people, really bringing the good people through."*

*(Interview 19, Store Development and Innovation Manager, ph 42-46)*

All areas mention people as DDC's key marketing asset and its source for differentiation. They tend to focus on the customer facing staff in store, but most when queried do mention employees throughout the company as well.

*"What would you say DDCs strongest assets are?*

*The managers and the staff with the knowledge that they have.*

*So individual ..*

*In store managers. I think that is the strongest thing they have."*

*(Interview 10, Commercial Assistant, ph 88-98)*

Again the Operations areas (E and F) have a very similar outlook. Although they tend to focus on the people, they do bring in brand/product as well.

*"What would you say DDC's strongest assets are?*

*I would say its strongest assets would be its people.*

*In terms of here or in stores?*

*Through out the business certainly compared to our competitors. I think there is a common goal, there are certainly faults but I think the strengths outweigh those.*

*Secondly I think brand, although Dulux decorate centres isn't a strong brand having Dulux above the decorators centres really gives us a position in the market place."*

*(Interview 11, Regional Operation Manager, ph 80-86)*



Areas B and C are very people focused.

“And what would you say DDC’s strongest assets are?

*It’s got to be the people*

Do you mean in stores or?

*Everywhere, everywhere”*

*(Interview 20, Commercial Manager, ph 102-108)*

Whereas area D, although mostly focusing on people, there is some emphasise on the brand and the parent company as well.

*“DDC has Dulux, you know it’s such an enormous corporation, that people just... I think Dulux is synonymous with quality and paint and accessories and so on but I think people think of Dulux as ICI.”*

*(Interview 7, Marketing Manager for Store Development, ph 50)*

The Head of DDC confirms that this shared view of the marketing assets of DDC is the one which he believes in too.

*For me people are at the middle of it all.*

*(Interview 23, Head of DDC, ph 18-24)*

### ***B4 Positioning***

All interviewees recognise that DDC is positioned as a premium service, however some would like to have more control over the pricing.

*“If you had a magic wand and you could do anything what would you do to change and improve customer satisfaction?”*

*I suppose it is always a price issue isn't it, having done telesales that is always a issue when you are pushing something and you feel it is of benefit to them it would be to have more flexibility on the pricing.”*

*(Interview 10, Commercial Assistant, ph 132-134)*

*“I think that they should think that this is the place that I want to buy all my paint and decorative accessories from. That nobody else does it better and that nobody can offer them the levels of quality and service that we can at a reasonable price.*

*Are there any problems with what you stand for? Are there any negatives?*

*I think the negatives are mainly around price because we're perceived as very expensive in the marketplace, mainly because of premium brand that we offer.”*

*(Interview 22, Category Manager, ph 18-32)*

Participants believe that the service and brand both stand for quality and they are in a strong position, having ICI backing and being number one in the market. They also like to be seen as reliable and safe. These are characteristics that are also projected into the cars and animals in A8. The extracts below give evidence to the above and are taken from answers to the following question: What should customers think when they see your store?

*“I explain it as old fashioned service, they go the extra mile for people and they have an unbelievable knowledge.”*

*(Interview 23, Head of DDC, ph 28-30)*

*“I guess we want them to think this is a store for the professional, that will have everything that you will need, and the service and the knowledge to help you in your day to day work”*

*(Interview 18, Sales and Innovation Manager, ph 28-34)*

*“I think that they should think that this is the place that I want to buy all my paint and decorative accessories from. That nobody else does it better and that nobody can offer them the levels of quality and service that we can at a reasonable price.”*

*(Interview 22, Category Manager, ph 18-32)*

*“They should feel safe in the knowledge that it is a good company, it's a safe brand, it's a famous brand.”*

*(Interview 10, Commercial Assistant, ph 24-26)*



*"It's a well recognised brand, it's trusted, knowledgeable, experienced people. It's gives a whole confidence feeling."*

*(Interview 20, Commercial Manager, ph 18-20)*

In recent years, DDC's focus has started to include more public customers rather than purely trade. In terms of the attitudes to this change the following quotes highlight this process plus the difficulties faced and how they were overcome by the Head of DDC in terms of mindset change.

*"We have changed to suit the market but we have also changed to adapt to a newer market being the retail focus. Years ago we had a very very strict trade focus as if we were frightened of the retail markets, whereas now we are embracing that."*

*(Interview 14, Store Manager, ph 32-34)*

*What you'll find in our stores is that they're very good, and all of the comments you've made, they're very good with the people they know, they're not good with the people they don't know.*

*(Interview 23, Head of DDC, ph 116, 118)*

*"I think when I joined the message was almost "we're going to become a retailer" and we're not and we never will be and the people were very confused."*

*(Interview 23, Head of DDC, ph, 120)*

*"Then you explained to them, look this [retail] is an add on to the main, it isn't a main and I think people are more comfortable with it now."*

*(Interview 23, Head of DDC, ph, 124-126)*

Throughout all areas of the company, the issues with retail focus and pricing (detailed above) are discussed. This suggests that there is open and honest communication throughout the organisation.

The following are extracts from the interview with the Head of DDC. These highlight how the organisation should perceive their positioning. Firstly that public awareness is not sole aim of company, which is something that Store Managers did highlight as an issue and secondly that DDC is aiming for a high quality of service.

*"The customers are split into two, you've got Joe Public and let's be honest, some of them won't even know we exist and that isn't our sole aim, for every member of the public to know that we exist. If they do, then they should have the same view as the tradesman"*

*(Interview 23, Head of DDC, ph 28-30)*



*"I explain it as old fashioned service, they go the extra mile for people and they have an unbelievable knowledge."*

*(Interview 23, Head of DDC, ph 28-30)*

Although staff are their key asset, a weaknesses is highlighted in this respect by the Head of DDC. He believes that they are good with people they have built relationships with, but are not so effective with unknown customers.

*What you'll find in our stores is that they're very good, and all of the comments you've made, they're very good with the people they know, they're not good with the people they don't know.*

*(Interview 23, Head of DDC, ph 116, 118)*

Also explained is the new focus on customers. The true value of consumer market is high even though the volume is small compared to trade.

*"So when you look at the true profitability, you might turn over a load of volume [with traders], but how much money do you make and the only way you'll get real incremental is to get the serious DIYer, or plumbers or whoever, but that requires a different skill-set in store. So top-line cash value it could be quite low, but the margin of it's quite good and we've grown, the customer business has grown from, I don't know, 5 million four years ago, it's like 21 million nowadays."*

*(Interview 23, Head of DDC, ph, 130-140)*

The positioning between retail and trade is also expanded on.

*"So I don't think we will ever be a big, big consumer player, we don't need to be, it's not our role in the market place... basically it's cheaper to advertise in The Sun than 20 local papers, but it's still aimed at the trade, not at consumers. To me, consumers come along as an extra."*

*(Interview 23, Head of DDC, ph, 150)*

From this it appears that DDC has a strongly shared mindset in terms of its positioning. The evidence points to the DDC mindset being strongly aligned with the Head of DDC's mindset on positioning and although there are issues with some of the policies, these are openly discussed and recognised throughout all levels.

### *B5 Internal communication of value proposition*

All areas interviewed appear to have similar mindsets as all issues are reflected through all levels. These issues are: price, consistency, and communication issues. As detailed previously, at first there was unease within the company at the focus on the retail market. This 'trade mindset' was changed through communications.

*"We were opening fancy stores in Gateshead, fancy store in Cardiff, they were trials ... but it confused people. All they heard when they went to a conference, wherever...they just say these fluffy images and actually our core business isn't that really it's the hard end of the market ...*

*So it's communication*

*We almost stopped communicating all of the soft stuff for about 12 months we didn't talk about it at all. All we talked about was paint and because we did all the Greenfield stores, they were very traditional, tradey, greenfield stores so that sort of made people feel comfortable, then you explained to them, look this is an add on to the main, it isn't a main and I think people are more comfortable with it now."*

*(Interview 23, Head of DDC, ph 38-40)*

In terms of the organisation of the value proposition, the standardisation of the core delivery of value to the customer is the aim, but to allow local variations in order to meet different needs.

*"Does DDC encourage standardisation of delivery of that value, of that service, across the UK or is it adapted for different regions?*

*Erm a mix of both really. We are working towards standardisation of that offer. From a marketing perspective we do also allow people to do local marketing initiatives, they might put on their own special offers, they can hold their own little service days, or whatever it is that they want to do. We are working hard to try and get a core range of products out there which is quite new to where we have been where there has been a lot of local buying power to be able to offer their own range. Erm but yes, in perspective of a lot of the corporate image, we are trying to get that as standard as possible."*

*(Interview 19, Store Development and Innovation Manager, ph 48-50)*

*"Are you allowed to treat your area differently from other people's areas in the country do you think?*

*Yes, you can. Obviously there are set guidelines on what you have got to do but, yes, you can stamp your own authority.*

*What kind of leeway do you have, can you give me an example?*

*Well as far as stores go, I mean ... we have got a set core range of items in the store but you can also buy basically whatever you want if it is going to sell. So you can shape your store that way, obviously there's special markets, you get a brief every month and it is set up that way"*

*(Interview 16, Store Manager, ph 48-58)*

The Head of DDC also highlights how DDC is aiming for store consistency.

*"I think some people have found it difficult to change when we've added ranges or taken responsibility from the store. So historically it was ...I'm sure you know, we're only really beginning to nail this one down, but from a store manager's point of view there's a lot more central control whereas they used to be off doing whatever they wanted. So you didn't get consistent service and I think more and more we've tried to make it consistent across the UK and that's where you'd then say, well this is more like a big retail business than an ad hoc stores group."*

*(Interview 23, Head of DDC, ph 38-40)*

In order to improve consistency, as well as processes, it appears that a critical area is the culture or mindsets with stores.

*"On the consistency side it is being worked on from lots of different angles. We have a store standards programme whereby we visit the stores and it is a competition, raising the bar competition. On the product side of things, they are conducting range reviews and rationalising the ranges and they will be stopping stores from sort of ad-hoc buying their own products. And then from a people point of view it is making sure I think that people realise what the expectations are. And that is the hard part, it is cultural change. And on that side of things it is a longer haul job if you like but I think by the programme we have in place now of getting people into Head Office, about sharing the vision with them and making them understand where they fit in within that vision, they tend to, over a period of time, change culturally."*

*(Interview 18, Sales and innovation Manager, ph 120-130)*

Some areas of DDC see it as a weaker brand when compared to Dulux, especially in terms of awareness for what they stand for in consumer market. This communication of the value proposition in the public domain is openly discusses as an issue.

*"We just seem to, you know, everything is directed at our customers, the general public don't really know an awful lot about us."*

*So it is quite a closed market and people know you, that's the only people you talk to? Yes. The store in Altrincham here, has been here, the same with the store in Blackburn, the store has been there for 4 years on a main, busy road and there's people walk in every day, I didn't know you were here, because there is no advertising."*

*(Interview 16, Store Manager, ph 256-270)*

If the value proposition is dependent on service, its consistency is dependent on people and chains of communication. One could also speculate that although the service proposal is consistent (when discussed), it does not necessarily follow that its implementation is. As well as consistent service, another issue highlighted in areas C



and E is the flow of customer knowledge and getting it back into the head office from stores.

“Okay, what areas could you improve, do you think?

*I think in terms of knowledge, internal, about our customers. I think the stores understand their customers, but I think internally here, understanding what turns our customers on and off could improve.”*

*(Interview 9, CRM and Communication Manager, ph 18-20)*

Also the relationship between staff and customers is said to be very strong.

“Really what you give to your customers, how you treat your customers.

*There is variation because store managers will treat their customers differently and that will just depend on the personality of the store manager and some of them will go the extra mile for their customer.”*

*(Interview 12, Marketing Manager for Customer Loyalty, ph 64-74)*

However could this be a negative if customers buy from people rather than the store?

The Head of DDC responds by emphasising the need for a standard process of service delivery to avoid this.

*I think there is a danger, there's always a danger when you're trading off one person. What you need to do is make it... all the people, that we have a commonality across all the people and they approach the situation in the same way, which didn't happen historically. So you'd have a man in a store, big character and he could swap companies and the people would follow him. So although it is people, there's almost more of a mechanic to the people process now and ultimately I think that is what will enable us to compete with people like B&Q and win because, they can't get that type of person. So yes there probably is a weakness there but it's equally, it could be, a strength.”*

*(Interview 23, Head of DDC, ph 64-66)*

At the moment there is no real IT networks in place between head office and stores. This is something that they are looking into and may help reduce some of the issues above. There are a number of processes that have been put in place since the Head of DDC's arrival in order to improve the communications through the company. There is more contact between Operations and Head Office. There are now store manager meetings in head office, 'back to floor' sessions for those in head office, more emphasis on face to face contact and breaking down the barriers. Within DDC it seems there is a drive to ensure people understand the part they and others play and that there are no unnecessary people in the business. The following extract highlights some of these findings.

“How have you tried to actually communicate what you stand for and the differentiation?

*We have a whole series of...and none of this really existed a few years ago, so we brought back a DDC magazine, a lot more contact between the ops guys and the regional managers and the office and regional managers, once a month I have all the store managers in so there's a lot of face to face contact. We've brought in 'back to the floor', so everybody here goes to work 3 days in stores every year and it's basically just breaking down the barriers so that people understand, what each other...the part that each department plays. I suppose my comment is there are no unnecessary people in the business. If the role was unnecessary they wouldn't be here and when you sit in stores you don't really understand what marketing do or supply chain, you just need to open their eyes to it, so I think there's a lot more face to face and integration from me...My predecessors would not have spent as much time in stores or as much time in team meetings in here or bringing, you know, 15 store managers in every month.”*

*(Interview 23, Head of DDC, ph 44-46)*

One of the reasons for the Store Managers meetings with departments within Head Office is given below.

*“What I noticed was you've got lots of regional managers who've been in the business a long time so if they're cynical their region's cynical, so what I did was just cut the filters out. So I cut everyone out between me and the store managers once a month, to put that, 'there's this picture, why we do what we do' and I think that's helped.”*

*(Interview 23, Head of DDC, ph 100-102)*

Communication of the value proposition appears to have been improved over the past few years. Issues raised by some areas are also raised in others again suggesting that communication is quite open within DDC. The consistency of the service proposition is one of the key aims of DDC over the next few years and this means not only that processes and systems will be put into place but also that mindsets within the company need to be aligned and systems thinking needs to be further developed especially at store level.



*B6 What should they stand for?*

After the question ‘what does DDC stand for?’ the question ‘is this what they should stand for?’ is raised to probe answers. A much greater amount of issues/improvements can be found in the data from area D than other areas. For example in terms of the cars or animals onto which they are asked to project their view of the company many interviewees from level D offer improvements.

*“I think it would like to be faster and sportier.”*

*(Interview 10, Commercial assistant, ph 152-158)*

*“Is that the type of car that DDC should be aiming to be?*

*Yes but maybe the GTi version”*

*(Interview 11, Regional Operation Manager, ph 132-136)*

*“I think probably you want to keep that element of it but you want to jazz it up a little bit, maybe an Audi Quattro or something like that.”*

*(Interview 18, Sales and Innovation Manager, 136-138)*

*“In that it [DDC] is not always at the forefront of ...I suppose leading products etc. For example, accessories, I would not say that we were...particularly leading in that area erm or innovations perhaps is something that we need to look at, to focus on.”*

*(Interview 12, Marketing Manager for Customer Loyalty, ph 12-18)*

This wish for a more dynamic or ‘showy’ DDC image could reflect their role in the company, or it could be that they feel they have less power than those above (creating the plans) and those below (customer facing) to influence the company. The research recognises that it could also be a biased result as employees of area D are interviewed. However, something that echoes through all interviewees responses is the strive for improvement.

*“Do you think that it is completely successful in this?*

*Yes. I mean we are firmly number one. I think we can get better with the customer service.*

*In what areas do you think in customer service, could you improve or...*

*Yes we have still got a lot of staff that are trade orientated and it is trying to move them more into a retail kind of thinking. So that is where we can improve.”*

*(Interview 16, Store Manager, ph 12-18)*

The Head of DDC also is very driven and wants more change and accelerate the way they work even more. He also offers his views on gatekeepers and non-sharers of the DDC mindset as well.



“If you had a magic wand, so if you could do anything without limit, what would you do to improve customer satisfaction?

*To improve customer satisfaction... If I could anything I would accelerate the way we work at the moment. So if I wrote 3 years ago we were 1 and a half/2 out of 10 in being joined up, we're probably 5 so we've come a long way but we're nowhere near...there's always room...and I think in some stores as well, ad it's not just stores there are still some people in the business who are going through the motions and if you could wave a magic wand, they'd either have changed their mindset or have left and I think then you would get a different experience. The experience would be consistent in every store rather than... That's every retailers dream so...*”

*(Interview 23, Head of DDC, ph 186-188)*

Again, it seems from this that mindsets will be the key to consistency in stores and how the service is implemented through them.

#### 4.1.2b Summary of section B findings

##### *Summary of findings: B1 What do they stand for?*

- All interviewees give a facet of the same value proposition stemming from their point of view.
- Areas E and F give extremely similar viewpoints in terms of what they stand for, namely quality of service and product.
- Only few interviewees when asked 'what the company stands for' recognise the customer rather than the product or service. The areas which do include the customer are mainly based with head office (D,C & B mostly) and not operations (areas E and F).
- Again there is a mindset of doing well and improving throughout all areas.
- The actual value proposition from all areas appears to be quality product and service, first choice, one stop shop with added service. This is confirmed by Head of DDC as what the value proposition should be.
- The Head of DDC backs up the view of all employees that DDC stands for premium.
- It appears that DDC has a strongly shared mindset in terms of what it stands for in the market.

##### *Summary of findings B2 Differentiation*

- From their view on differentiation, executive board members (area B) members appear to be very customer focused.
- Within area C (Commercial team/middle-management) there is a clear divide in opinions. The marketing managers focus on customer service whereas the category manager focuses on product.
- Area D has mixed responses to differentiation. Four out of six believe that brand strength is the difference, whilst the remaining two believe it is the stores.
- The Regional Operation Managers (area E) seem to reflect their own role in the company, focusing primarily on margin even though they recognise that this comes from service and product.
- In terms of area F (Store Managers) product quality is mentioned but customer service seems to be key differential to them.

- The overall focus of interviewees when asked to describe DDC's differential is on the service in stores.
- The Head of DDC, argues that the reason that the Dulux brand is not their primary differentiation is that this strength allows them to focus on service.
- Overall it appears that DDC has a strongly shared mindset in terms of its differentiation.

### ***Summary of findings: B3 Marketing Assets***

- There seems to be a slight clash of ideas in area C. One response is that the in-store staff needs more training whilst another responds that they are highly skilled.
- All areas mention people as DDC's key marketing asset and its source for differentiation. They tend to focus on the customer facing staff in store, but most when queried on this do mention employees throughout company as well.
- Again the operations areas (E and F) have a very similar outlook. Although they tend to focus on the people, they do bring in brand/product as well.
- Areas B and C are very people focused, whereas area D, although mostly focusing on people some again emphasise the brand and the parent company as well.
- The Head of DDC confirms that this shared view of the marketing assets of DDC is the one in which he believes too.
- From this it appears that DDC has a strongly shared mindset in terms of its marketing assets.

### ***Summary of findings: B4 Positioning***

- All interviewees recognise that they are positioned as a premium service, however some would like to have more control over the pricing.
- The service and brand both stand for quality and they are in a strong position, having ICI backing and being number one in the market. They also like to be seen as reliable and safe.
- In recent years, DDC's focus has started to include more B2C customers rather than purely trade. In terms of the attitudes to this change these difficulties were faced and overcome by the Head of DDC by changing mindsets.



- Throughout all areas of the company, the issues with retail focus and pricing issues are discussed. This suggests that there is open and honest communication throughout the organisation.
- The Head of DDC believes that public awareness is not sole aim of company, which is something that Store Managers did highlight as an issue and also that DDC is aiming for a high quality of service.
- The Head of DDC also discusses that although staff are their key asset, they do have weaknesses, as they are good with people they have built relationships with, but are not so effective with unknown customers.
- The true value of public (B2C) market is high even though the volume is small compared to trade.

***Summary of findings: B5 Internal communication of value proposition***

- All areas interviewed appear to have similar mindsets as all issues are reflected through all levels. These issues are: price, consistency, and communication issues.
- The standardisation of the core delivery of value to the customer is an aim of DDC, but to allow local variations in order to meet different needs.
- In order to improve consistency, as well as processes, it appears that a critical area is mindsets with stores.
- DDC is seen as a weaker brand when compared to Dulux, especially in terms of awareness for what they stand for in consumer market. This communication of the value proposition in the public domain is recognised as an issue.
- If the value proposition is dependent on service, its consistency is dependent on people and chains of communication.
- The relationship between staff and customers is said to be very strong, however this could be a negative if customers buy from people not the store. The Head of DDC responds by emphasising the need for a standard process of service delivery to avoid this
- At the moment there are no real IT networks in place between head office and stores.
- There are a number of processes that have been put in place since the Head of DDC's arrival in order to improve the communications through the company. There

is more contact between Operations and Head Office. There are now store manager meetings in head office, 'back to floor' sessions for those in head office, more emphasis on face to face contact and breaking down the barriers.

- Within DDC it seems there is a drive to ensure people understand the part they play.
- Communications of the value proposition appear to have been improved over the past few years.
- Issues raised by some areas are also raised in others suggesting that communication is quite open within DDC.
- The consistency of the service proposition is one of the key aims of DDC over the next few years and this means not only that processes and systems will be put into place but also that mindsets within the company need to be aligned and systems thinking needs to be further developed especially at store level.

***Summary of findings: B6 What should they stand for?***

- A much greater amount of issues/improvements can be found in the data from area D than other areas.
- The wish for a more dynamic or 'showy' DDC image could reflect their role in the company, or it could be that they feel they have less power than those above (creating the plans) and those below (customer facing) to influence the company.
- The Head of DDC also is very driven and wants more change and accelerate the way they work even more. He also offers his views on gatekeepers and non-sharers of the DDC mindset as well.
- Again, it seems from this that mindsets will be the key to consistency in stores and how the service is implemented through them.

## Findings: C. Mindsets

### *C1 Personal Drivers*

Employees at all levels discuss very personal drivers. Career development is a big area for all areas and suggests that employees are strongly driven.

*"I am not qualified like the others are out there, I have proven this year that I don't do the job that they do, however, I can accept challenges, face them and I can conquer them and I look forward to doing more of that type of thing."*

*(Interview 10, Commercial Assistant, ph 274)*

*"What do you hope to get out of your job?"*

*I am not the most ambitious person in the world but I would want advancement within the company and I think there is the opportunity for that. I see a rapidly expanding company since I have been with it that new opportunities are springing up all the time, this role in itself for a start."*

*(Interview 18, Sales and innovation Manager, ph 248-250)*

Feedback is seen in many areas as very important for job satisfaction and a key driver in this is informal recognition.

*"What would help increase your motivation?"*

*Doing well really but as long as it is recognised.*

*So getting feedback on what you've done?*

*Yes, if you don't get recognised I think it can be quite negative."*

*(Interview 16, Store Manager, ph 348-358)*

Areas C and D appear to focus on being able to deliver and seeing the end results as part of their motivation, more so than any other area. This shared language would indicate a strong team mindset within these levels.

*"What do you try and get out of your job?"*

*For me it is just the satisfaction of delivering things"*

*(Interview 13, Communication Marketing Manager, ph 248-250)*

*"What do you feel you get out of your job at the end of the day?"*

*Satisfaction that we have delivered something.*

*(Interview 19, Store Development and Innovation Manager, ph 216-218)*

*"What motivates you at work?"*

*Being able to visualise the end result and aim for that."*

*(Interview 8, Marketing Assistant, ph 354-366)*

Also the idea of learning and gaining experience from others is discussed positively.



“What are you hoping you get out of your job?

*Oh for me it's experience, I think, you know, I've had... I've worked in marketing, well on and off, certainly with IT in the middle, sort of 15 years, but actually what this company gives you is a real broad brush across all of the areas and also direct contact with very senior people.”*

*(Interview 9, CRM and Communication Manager, ph 304-306)*

As stated earlier, career development seems to be a very important part of a DDC employee's mindset and DDC seems to give them the opportunity for this.

“What do you hope to get out of your job?

*I am not the most ambitious person in the world but I would want advancement within the company and I think there is the opportunity for that. I see a rapidly expanding company since I have been with it that new opportunities are springing up all the time, this role in itself for a start.”*

*(Interview 18, Sales and innovation Manager, ph 248-250)*

Key themes emerging from the data are motivation and satisfaction through others development and the progress of DDC as a whole.

*“I am here to provide a lot of support for the store managers to enable them to reach their budgets and their goals and I feel happy erm when I have been able to do that for one manager or more than one manager.”*

*(Interview 19, Store Development and Innovation Manager, ph 216-218)*

“What do you feel you get out of your job at the end of the day?

*A fantastic amount of satisfaction. If you were to ask me, and this going to make me seem altruistic and I don't mean it to be, if you were to ask me what the biggest buzz out of the job is I have always been involved in sales and sales is always a buzz and extremely competitive, I do like winning. But actually see people that work with you and for you progress is probably the biggest compliment you could get paid.”*

*(Interview 15, Regional Operations Manager, ph 252-258)*

The mindset of the Head of DDC appears very driven also. This can be seen in the way in which he reflects on the company.

“How successful is DDC at bringing that off? Quality of its products/service

*We're probably the best in the industry... my concern is that if you benchmark against the industry it's not necessarily the right benchmark. So more and more, we benchmark certain things against the big retailers, but within the industry, yep, we're number one and I'd say pretty much across any trade supplier, we're probably number one.”*

*(Interview 23, Head of DDC, ph 18-24)*

## *C2 Company drivers*

There is high enthusiasm and energy for DDC's aims throughout the organisation. This is also reflected in very positive mindsets of employees.

*"Do you feel enthused by the aims of the company?"*

*Yes at present, its good at the moment a positive place to be"*

*(Interview 11, Regional Operations Manager, ph 198-200)*

*"Do you feel enthused by the aims of the company?"*

*Yes I do yes, I am fully committed to customer service and quality of products, so erm I would say I would share the enthusiasm for the drive the company has got."*

*(Interview 14, Store Manager, ph 155-157)*

The culture of DDC appears to makes people strive to do better, however it seems that it is not happening directly but in more of an indirect or "follow me" way. The internal dynamism is one factor that is remarked upon.

*"What about the business inspires or motivates yourself?"*

*Pace, the fact that we move quickly, the positive attitude within the workplace. You are always going to strive and you are always going to come across negative people, but I think overall the general feeling is very positive and its a good place to be at the moment."*

*(Interview 11 Regional Operations Manager, ph 202-204)*

As well as the pace of the organisation, other motivational drivers taken from interviews include ownership, feeling valued, empowerment, making a difference, opportunities within and outside DDC, rate of change, feedback from people (both informal/formal) and processes (reviews and bonuses). All of these drivers help to produce the mindsets of DDC and therefore influence how strategy is implemented. Development of these drivers within DDC is a key area to explore further. Being able to see the results of actions is important to many as well. Seeing results seem to allow systems thinking to occur and also the feedback from those results created the feeling of being valued. The extracts below highlight some of these drivers.

*"What helps to increase your motivation?"*

*Opportunity, opportunity, the fact that we identify opportunity, we exploit the opportunity and then we move faster."*

*(Interview 11, Regional Operations Manager, 230-232)*

“What helps to increase your motivation? Or what would help to increase you motivation?”

*I think recognition is important. I think having somebody who encourages you and develops you is important. Communication is the biggest single turn-on or turn-off in business. So effective communication is probably the best answer to that one.”*

*(Interview 21, National Operations Manager, ph 313-315)*

“What about the business motivates or inspires yourself?”

*Just the fact that it's so fast paced. People are trying to... everybody seems to be trying their best, everybody wants to perform and everybody wants to do well. It's a growing business and just being part of the success really.”*

*(Interview 22, Category Manager, ph 230-244)*

“What do you feel you get out of your job at the end of the day?”

*I get satisfaction out of making a difference. I enjoy seeing other people in the business so if they're being successful, by definition I'm going to be successful anyway. I don't see my job is for...as a person who has to tell other people what to do.”*

*(Interview 21, National Operations Manager, ph 283-293)*

As mentioned before, a lot of the interviewees use Slough/ICI to position DDC in a more positive light or tend use that relationship as motivation. This mindset could have both negative implications for DDC.

“How has that [mindset] changed?”

*Most people would have said we don't do anything, we don't have any... we can't achieve anything. I can still hear the comments in my head. Slough tell us this, Slough tell us that and I think what's happened is and you hear it from the sales-force now, we were the underdog and I'd say the roles have reversed and that's very powerful for the people within DDC, fairly soul destroying for people elsewhere, but it's very powerful.”*

*(Interview 23, Head of DDC, ph 192-200)*

*“the more frustration there is when you have to deal and you have to make big changes with Slough, whereas the things that you can just do that are independent, that's great.”*

*(Interview 21, National Operations Manager, ph 306-308)*

Level D data hints that other areas of organisation have different ways of working, especially in terms of pace and engagement. The effect of this is to de-motivate members of level D. This could be because the marketing mindset is a lot closer to the company mindset and they are more used to the dynamic of the organisation. It also could be that as well as the vision it is the value proposition that drives them and impact on their strongly driven mindset



“Do you feel enthused by the aims of the company?

*Yes and no. Erm I think the values and the vision that they have is good and I think it is good that it has been launched together and it has been launched to the whole business and there are definite ways that you can add value to that process. Erm I think it falls down when other people in teams don't deliver to the same standard as you do. And I think that then makes you not as enthused by them.”*

*(Interview 13, Communication Marketing Manager, ph 228-234)*

### C3 Systems thinking

Overall, systems thing is not formally encouraged, but seems to have developed and become part of the company and individual mindsets through informal means.

“Are you encouraged to see things from other departments’ points of view?

*We are to a certain extent. I think it is down to the individual of whether they do have the time to actually take things to show other departments and to get opinions. We definitely do have that relationship with certain departments, for example operations you would go and show them what you are planning to do and talk it through with them. Whether then that is extended to other departments within Head Office, it doesn’t really happen at the moment.”*

*(Interview 13, Communication Manager, ph 284-286)*

“Are you encouraged to see things from other department’s points of view, are you encouraged to look at it from different perspectives?

*Only if you probably raise an issue and they will give you, you know, look at it through my eyes and now you will see why we do it this way. But not really, not unless something is raised.”*

*(Interview 16, Store Manager, ph 376-378)*

“Are you encouraged to see things from other departments’ points of view?

*Erm no, not directly. Erm that’s quite an interesting question. It’s almost thinking well should we be going spending more time in other departments and having a look at it from their point of view.*

Is there no real process of doing that?

*There is no process of doing that, no. I am trying to encourage our department to get out to stores more often, meet more customers, meet more store managers. We seem to be able to be doing that. I think what we need to do is also work with other departments to see how they view us.”*

*(Interview 19, Store Development and Innovation Manager, ph 260-266)*

As stated before in section B5, DDC gives good examples of how the development of good communications take down barriers, circumventing chains and gatekeepers and allow for a clearer message (allows instant feedback). This also may produce more shared mindsets throughout the company.

“Are you encouraged to see things from other departments point of view?

*Yes and I think more so now than in the past. We have, over the past maybe 12 or 18 months, instigated a system at head office whereby a store manager from each region would be invited to head office, he would undergo discussions at head office, involvement with senior managers... So that has really helped because obviously it does involve you with differing departments at head office.”*

*(Interview 14, Store Manager, ph 221-227)*

“You’ve mentioned you do have monthly store manager’s meetings, is that part of the...

*Yes, it’s very deliberate so they come up, normally on a Monday, get big picture from me: this is where we are this is what we’re doing, this is why we’re doing the things we’re doing, this is financial impact, so very, very open and very honest. More detail about strategy and the shape of the business and where we see the shape of the industry in the future and I think people really appreciate that, that says ‘someone is sharing clearly sharing the detail of the business with us. Take them out for dinner, which is an important part that you just go out and have a few drinks and almost just saying thank you very much on a...you know we do it at a conference once a year but there’s thousands of people there, but just have a dozen people with John and I and whoever it’s just a different experience for them and then the next day they’ll be in with supply chain and marketing into the detail of ‘this is the range review process’. I’ve got forty things that I need to sort out from the grass roots of the business, supply chain and marketing have got real feedback either on what they’re going to launch or what they’ve just launched. So it just makes it much more inclusive.”*

*(Interview 23, Head of DDC, ph 254-256)*

When asked if they feel part of the system all interviewees respond positively. In terms of the different areas, A and B seem very customer aware/focussed and regularly have contact with customers. These areas reflect the view that head office acts in a supporting role for the stores.

“Do you encourage people within your department to take other department’s viewpoints?

*Absolutely and likewise. I encourage people in this department to involve my team. I do that for two reasons. Firstly so they can understand more about the store’s business and how it works because, if you like, the ‘coal-face’, being out in front of the customers is very different from working in here. It’s to get away from this ‘us and them’, this head office/field mentality. I’ve got a very simple viewpoint on it. There’s no such thing as a head office, because a head office, by its name, sounds like a command function. This is a support function and the stores are its customer.”*

*(Interview 21, National Operations Manager, ph 337-343)*

Area C believes that they have greatest impact on stores.

“Who does your work affect or impact on most in DDC?

*Store managers.*

Is that directly or more indirect?

*Well we are delivering a lot of events that affect what the store managers can do, we are delivering a lot of the look of the stores to what the customers will see. There are a lot of events we have got planned as well that will affect customers, the trade events that we have got coming up are going to be noticed massively by the customers. So I think store managers and customers.”*

*(Interview 19, Store Development and Innovation Manager, ph 252-258)*



Operations areas give mixed responses. Some interviewees say they have most impact on store managers whereas others say it's the whole chain or customers. This could be influenced, as unlike other areas, E and F do not work in the same location as each other therefore there less likelihood that their mindsets will become shared.

Area F unsurprisingly is very customer/store staff focused. As an overall pattern of mindsets, from D to A (so within head office), the higher you go the more broadly focused these mindsets appear to be. For example D is more store focused, as they directly work with them, whereas B views the customers too. What does this mean for area D mindsets? Perhaps they have less systems thinking or it could be merely that the top and bottom of the company (A, B and E, F) have more customer contact and the people who implement the strategy do not. The quotes below highlight the difference in the D and E mindsets.

“Who does your work affect or impact in DDC? Impacts most on?

*Most? It'll be the stores definitely, because what I plan, events that I do will affect all the stores some way or another.”*

*(Interview 7, Marketing Manager for Store Development, ph 296-298)*

“Do you feel that you personally add to the value that customers receive? Feel part of that system?

*Yes, definitely, I mean I quite like spending time with customers albeit it's a mixture, it's either through entertaining or, you know I'm in stores quite a lot, so I like speaking to customers, because just as interested in the customers as I ma in any other part of the business, because you know, we said, I said to you earlier the business is about people, it's not just about the people who work in it, it's about the people who shop in it and keep us in business.”*

*(Interview 21, National Operation Manager, ph 97-99)*

#### *C4 Different mindsets in organisation*

Overall (and as previous evidence shows) DDC has a very positive company mindset that is made up of positive individual mindsets. The following extract summarises this DDC mindset well.

*“We call it the JP McDougall culture... It started up 100 years ago if you like, but for a long time it traded as an independent merchant under the name of JP McDougall when it was like a family business and we try and create that same family feeling, but obviously at the same time you’ve got to be quite hard to be...you’ve got to be aggressive and you’ve still got to be doing all the right things to be number one and to remain number one and to continue to grow and so it’s getting back to that culture if you like, because it was there and then it kinda drifted a bit and it’s coming back.”*

*(Interview 21, National Operations Manager, ph 317-323)*

However it would be naïve to assume that everybody shares this.

*“Are there any areas that will be weaker in?”*

*Yes, I think there are some areas that sit in the building that...they almost work for us but they don’t work for us, so finance. There are areas on the finance floor where people have been neglected, they’ll be a big focus this year on them. You’ve got finance and IT which are basically they sit here, they used to be DDC, now they’re, one’s a European function one’s a...and they’ve been neglected so we’re going to be more inclusive.”*

*(Interview 23, Head of DDC, ph 234-236)*

Also individuals may resist mindset whatever their role.

*“Are there instances where individual values conflict with corporate values?”*

*Yes there are.*

*Is that widespread or is it?*

*Getting less so. I would say, more with employees who have been within the company for a long time, because we’ve acquired lots of businesses and we were one company and we’ve now changed to be another company. There’s a lot of people in the business who have worked there for 30 years.”*

*(Interview 6, Innovation Marketing Manager, ph 365-381)*

The current management attitude attempts to reduce interdepartmental mindsets. They want employees to have broader views of the company (systems thinking) and use internal dynamics to create this.

*“Do you want a particular mindset in DDC? What mixture?”*

*What I want more and more of is the, most people in the business have done the same jobs for years, so that’s why there is a program of mixing people up. So they won’t be the best marketer because they’ve come from marketing, but they’ll get and appreciation so when they go to the next level, then they’re broader business people.*

So they've got an understanding of different departments

*Yes and that means that ultimately my team would be much broader in their outlook and have a greater understanding so that they approach the business in a different way ... what it gave you, after a point in time, was just an appreciation of how the whole business works."*

*(Interview 23, Head of DDC, ph 297-303)*

"Why are the barriers breaking down?

*Attitude and the fact that people are moving around the business so people are moving across departments. Erm and also the attitude from senior management and trying to improve that."*

*(Interview 11, Regional Operations Manager, ph 234-244)*

The quantitative findings from the warm-up questionnaire on the average time spent in the role and the company (appendix A15) confirm this dynamic environment. In terms of departmental mindsets within DDC, one interviewee gives a note of caution for the research about taking views at face value and the tacit nature of mindsets.

"And what about departmental mindsets?

*Yes I think you get that, and there are also perceptions of a department which may be incorrect. I think the people who, for instance, work in the finance department would have a very different mindset to those who work in marketing. I think your mindset is very much influenced by the inputs that you have on a daily basis. If your job is fairly repetitive, it would be different to going out of the office a lot, meeting new people. I am sure everybody in the business would see marketing as an incredibly glamorous role, if you work in it you know it is just bloody hard work."*

*(Interview 18, Sales and Innovation Manager, ph 264-274)*

This view that there may not be different mindset just because there are perceptions of different mindsets must be acknowledged in this research. Once again DDC is said to have a very different company mindset than its parent company.

"Are there any departmental mindsets or a company mindset?

*I think its improving, I think traditionally there has been inter-departmental barriers and they are gradually breaking down. Within the business the biggest one is between ICI Dulux decorators centres and ICI paints which is down to geography but is also down to the fact that we are customer facing and they are a manufacturer."*

*(Interview 11, Regional Operations Manager, ph 234-244)*

In terms of actual specific differences between the DDC and ICI mindset, many interviews argue that it is the pace of the business that is different.



Do you think that DDC actually has different ways of thinking than the rest?

*Yes I think ICI in terms can be a little bit slow in its ways of going forward. I think DDC is much more fast thinking than them. Everything seems to be through committee with ICI.*

Why is that?

*I think that is the structure that has always been there. So it is a long-standing company and I think the senior people in there are very cautious in a very buoyant market because they do not want to upset the competition."*

*(Interview 17, Regional Operation Manager, ph 280-290)*

As speculated before in these findings there appears to be a strong link between the DDC mindset and the commercial mindset.

"What about the commercial team? How is their mindset different to the organisation?

*They want to drive the business, they really do. They really want to push the business forward, which is what they should do"*

*(Interview 23, Head of DDC, ph 285-293)*

"Does the commercial team have a different outlook on the company than from other departments?

*I would think so, might be because there's more input from this team in terms of where the company is going, so although they may not particularly aware of where the company is going they probably have a better view. Because they put more input into it."*

*(Interview 20, Commercial Manager, ph 382-398)*

So what is the commercial team's mindset? From the above extracts it appear to be: wanting to drive business, future/forward looking, better view of where headed. Also they seem to have much more interaction with other departments, as most information concerning marketing strategy goes through them in either direction. Other characteristics that come from the data are that they are more outward looking, positive and embrace change. The following quote from a ROM summarises some of these elements compared to other departments.

*"In the commercial team you can, without talking about individuals if you break the commercial team up, if you look in general at the marketing team you can have a debate, a conversation, offer a view, get a little bit of flexibility sometime. Sometimes you have to recognise this is where the company is going: okay we have all had our say lets buy into it and move forward. You possibly get certain people in the supply chain who are a little intransigent and start operating this little ... and it is like 'this is what I have been asked to do' and 'I am going to go away, don't mither me, don't ask me awkward questions, I am not even going to return your phone call or email because I don't want to talk about that'.*

So they are much more dynamic or have the ability to change?

*Marketing department sort of embrace change readily, they will have a debate, they will try and see things from your position. The supply chain, I am not bringing people in to it, in general they are very much... 'this is what I am going to do, don't interfere with it, its going to happen'."*

*(Interview 15, Regional Operation Manager, ph 280-294)*

### *C5 Freedom/power given*

As alluded to already, DDC is currently aiming for a more template driven service process so that store managers can pick and choose within a framework. This higher degree of central control is being used to allow greater consistency of service levels and also to allow store managers more time to be customer focused.

“And in terms of service. How are you trying to make that consistent?

*It's simply by [National Operations Manager] being out with the ops guys more and more. More and more training into the store managers, more and more training into the regional managers, so we've really upped the ante on giving people the tools to do the job.... so I suppose the business is becoming more templative...and the managers can dip in and out of which bits they want.”*

*(Interview 23, Head of DDC, ph 70-80)*

“And do you feel you get the most out of them [Store managers]?

*No because at the moment I think they've got too, it sounds perverse, but they've got too freer rein in terms of what they can do, so therefore they're buying products, they're trying to sell products, they're trying to learn about them you know... there's too many things going on and if we can take some of that away from them and let them concentrate and focus on what they're really good at, then I think we'll get more from them.”*

*(Interview 22, Category Manager, ph 90-96)*

“So you can shape your store that way, obviously there's special markets, you get a brief every month and it is set up that way but there is leeway”

*(Interview 16, Store Manager, ph 54)*

In terms of empowerment, the Head of DDC believes it is his role to take on the responsibility this mindset driver brings.

*“My view is if I empower people and they make a mistake I can't beat them up. As long as they come and tell me, ... I made a mistake....If you look at lots of organisations what you see is the bloke at the top is paid, in my view, to have big shoulders. That's part of our job; you take the pressure out of your company. What happens in lots of businesses: I get a kicking; the whole business gets a kicking. Most days, no one would have a clue. I could be getting kicked from pillar to post; it's 'let them carry on'. As long as we've got the right plans in place we should just let everyone carry on doing what they're doing because the danger is people are quite reactionary up here. They get a bad number, they get a bad phone call off a customer whatever, they jump up and down, the whole business changes overnight. You've got to trust these people.”*

*(Interview 23, Head of DDC, ph 180-182)*



Again, the relationship between DDC and ICI appears to restrict freedom and demotivates in some cases in DDC. However the question has to be asked: although it may take away some freedom does it actually strengthen shared mindsets within DDC?

“Are there any things that cause constant barriers to your work?

*Oh always yes, it's ICI.*

So it's more the parent company

*Yes*

Has that changed since you've worked here?

*Definitely, we've definitely got stronger. Definitely had more...people listen to what we say and act on it to a certain extent, but it's still not where it should be.”*

*(Interview 20, Commercial Manager, ph 342-352)*

“Are there any things which cause constant barriers?

*I think when you start to talk about paint and things and dealing with Slough, head office and the head-office mentality, it isn't the same as the DDC.”*

*(Interview 19, Store Development and Innovation Manager, ph 248-254)*

Nearly all interviewees are encouraged to question norms and challenge assumptions and feel that superiors actually value and take on board their opinions.

“Do you think DDC allows you to question any assumptions or things which you have always done so you always do them?

*Yes I think so, I like to think that they are a company that because they change so much and so quickly that they are open to change, and that therefore they will take on board peoples opinion. It may not happen and it may not happen to exactly how you want it to happen, but basically at the end of the day yes they will take on board what you say.”*

*(Interview 14, Store Manager, ph 209-211)*

Overall communications within DDC are informal. As highlighted above they also seem to be in the main open and honest and do not necessarily go directly up the chain.

“Do you feel that DDC allows all employees to question norms even at shop-floor level?

*We're very open. Very open, we have regular communication sessions with store-managers. When I go into the store, I speak to every member of staff, to me there's no such thing as “well they're only this or they're only that”. I want to know everybody's opinion. Tell me what's good, tell me what's bad. I've got a few fairly simple rules: you can tell me anything bad or you don't agree with anything provided you do two things: you tell me why and give me an alternative. Otherwise it's just a whinge.”*

*(Interview 21, National Operations Manager, ph 347-349)*

### *C6 Emphasis of feedback*

The Head of DDC tries to be proactive on feedback. It's a very 'hot topic' in DDC at the moment due to the viewpoint survey results last year (see appendix A2 for details). Employees also appear positive about feedback being a key motivator in their work.

*"And in terms of feedback where is that from? Is it from all areas?"*

*Yes I mean I try and be out in stores where I can just talk to people.*

*That's informal is it?*

*But I also have 360 degree feedback from my team. The viewpoint survey is broken down so I get my own viewpoint survey as well and I suppose I really quite forceful in 'give me feedback' and it's quite strange there are people in HR or wherever who when I joined I said to them "how did I do?" and I know I haven't done a good job and they went "oh yes it was fine [Head of DDC]" and I got a bit cross and said not it's not just tell me the truth, I want to hear it from someone that's all. I think people do know that you want to understand, but even if it's for one of the lads in SHE who wants to pop in for 5 minutes, I will always ask them did I do what you wanted me to do. So some of it's informal some of it's formal."*

*(Interview 23, Head of DDC, ph 433-439)*

Informal feedback seems to come from everyone both above and below. Slough/ICI is said to be lacking a similar standard of feedback (reflecting earlier findings of their mindsets). However there does seem to be an issue with informal feedback given in DDC in terms of its consistency and balance between honesty and its value.

*"I try and take it [informal feedback] from wherever I can so people in the team, [Head of DDC], people in the exec. You get less feedback, although I've sort of got a dotted line into marketing in Slough, I don't get a great deal of feedback."*

*(Interview 20, Commercial Manager, ph 422-432)*

*"Generally speaking I work a lot with the ICI salesforce, I get quite a lot of feedback from them, sort of thanks for helping them out with stuff, whatever. From [Head of DDC], generally speaking, it is all informal, a very informal pat on the back."*

*(Interview 18, Sales and Innovation Manager, ph 292-306)*

*"Yes, you get that [informal feedback]. I encourage it. Some of it you don't particularly like, it depends what kind of feedback is but yes we take feedback. We're not as good at giving feedback as I think some people think we are."*

*In terms of formal or informal?*

*Well I don't think it's how we give it, I don't think it's whether it's informal or formal, I think some people think that they give open and honest feedback. I don't think that's always the case because it's sometimes easier to maybe not say something you should say for fear of upsetting or offending somebody."*

*(Interview 21, National Operations Manager, ph 357-371)*



One key point from this data is concern that formal reviews measure the end results, not how these results are obtained.

“What are the key things in those appraisals that you are trying to measure?

*The performance management system that we have when it was instigated was set up to measure results and not effort.*

Has that changed, have you tried to adapt it?

*Certainly because there are guys who do things above and beyond the call of duty which have been extremely beneficial to the business but they weren't actually in their objectives at the start of the year so you have to take account of that.”*

*(Interview 15, Regional Operations Manager, ph 324-334)*

Also in terms of formal feedback, Operations (areas E and F) seem to get more figures than softer targets.

“What kind of things do they actually appraise you on, is it more objective like sales?

*Yes it's on sales, it's on debt, it's on standards, it's on health and safety, it's on quality of operation.*

As well as hard measurements, is it soft things as well?

*No. All my objectives are pretty well much figures.*

And what about your store managers, are they appraised on a similar kind of thing?

*Exactly the same objectives, yes.”*

*(Interview 17, Regional Operations Manager, ph 308-328)*



## C7 Communications and culture

Confirming an earlier finding, problems and issues seem to be discussed openly within DDC.

*“And these issues are readily talked about and they are known about.*

*Yes. They are becoming less because we were aware of them and we are trying to address them”*

*(Interview 11, Regional Operation Manager, ph 40-42)*

*“We’re probably more critical, that actually shows in all the surveys, we have a more critical view of our value than our customers do.”*

*(Interview 23, Head of DDC, ph 387)*

*“In terms of implementing this vision, do you believe there is a difference between what is said and what is done?*

*No I don’t actually. I think it’s possibly again one of the first businesses I’ve been where it’s kind of “right, okay if that’s what you want to do, then do it” and as long as it fits the overall vision, the overall way we’re going, how you get there is kind of, up to yourself...which again is refreshing.”*

*(Interview 9, CRM and Communication Manager, ph 246-248)*

There is both a lot of informal daily discussion and formal weekly or monthly meetings within DDC. Although informal communication occurs throughout DDC, it still remains professional; simply put there is no real communication hierarchy.

*“How you communicate to your direct [superiors]*

*Just informally.*

*How often do you?*

*There is no limit, they are very informal, open and friendly.”*

*(Interview 10, Commercial Assistant, ph 100-110)*

*“The majority of the communication is informal but professional. The communication with my managers, I speak to my managers on a daily or every other day basis. I communicate via email regularly with them. Erm as regards my direct manager maybe once a week, once a fortnight but communicate with a lot of other members of head office within the business.*

*Do you have meetings as the need arises or regularly?*

*As an individual coming from a marketing background I prefer to have a meeting if it is absolutely necessary. Every month we have a managers meeting, we cancel the meeting if it is not necessary.”*

*(Interview 11, Regional Operation Manager, ph 92-98)*

This flat communications hierarchy gives the business a professional but relaxed atmosphere which is something driven by the Head of DDC. In the following two

extracts the Head of DDC discusses the development of this mindset within DDC and the advantages it can give an organisation such as flexibility and honesty.

“In terms of communicating, just generally in the organisation, although it’s very business-like it seems you have a very informal communication hierarchy. There’s no real up and down it’s more flat.

Yes

How have you instilled that in the organisation and what does that give you?

*I don’t like hierarchies; I just think you don’t find out the truth. Most people, this is difficult because you’re talking about yourself, but I think most people would say they could come in here with anything. That took a long time. So I used to say to people, my door’s open, no-one came for about 12 months [laughs].”*

*(Interview 23, Head of DDC, ph 154-162)*

*“It was relatively hierarchical so, you know, my predecessor people wouldn’t just have walked in and there was very much a hierarchy. You could definitely see it in ops. Store managers wouldn’t talk to the ops guys, they would talk to the regional managers and there was a real stigma and I think people find it quite strange that someone like myself came in and would just ignore everyone and talk to the van driver and that’s just it’s the culture I’ve grown up in. I’ve grown up in Asda, Aldi... they’re very flat structures. Where the people at the top actually know, we don’t know everything, but we’re quite in touch with what goes on at grass roots. I think most businesses will have to migrate to that because you’re speed to implement in the mark or your speed to communicate, if you’ve got a hierarchy it never gets to where you want it to be. So there are times when, is it hierarchical? No but we will use the structure to control the information. On a day to day basis I would say that’s probably one of the biggest achievements, it’s the business is much more open.”*

*(Interview 23, Head of DDC, ph 166)*

Again the dynamism and positive drive of DDC mindset is recognised whilst positioning DDC against ICI.

*“I would certainly argue from a company point of view, it [DDC] moves a lot quicker [than competitors] a lot quicker.*

What do you mean?

*I think if there’s an idea that somebody wants to do I think it’s very open business, I’m talking DDC here less about ICI generally, but I think it’s if we want to do something, it’s like: just get on a do it.”*

*(Interview 9, CRM and Communications Manager, ph 52-58)*

The Head of DDC gives a clear explanation of the way in which he developed the strong DDC mindset. Firstly motivational drivers are discussed and then how leading by example and demonstration (a form of indirect communication) shares mindsets.

*“To me I think what happened was, when I joined I saw a business that someone had taken the spirit out of so you had to do was give people pride in what they did and*

*sort of put this spirit back into the company and make people believe they can change things, because there's nothing worse than coming into work and thinking I can't change anything."*

*(Interview 23, Head of DDC, ph 154-162)*

*"People used to whinge about pricing, but never give me any facts, so now they know, give me the facts and I'll try and sort it out. And it's almost they'd given up, "[Head of DDC], we've said it a hundred times and nobody takes any notice". But no-one had said it to be, so if you say to me, you know I've just got a load of stuff now of some store managers, I think it's great that they just send it to me in the post and more and more they see that we sort things out."*

*(Interview 23, Head of DDC, ph 415)*

The Head of DDC goes on to discuss his goal in the mindset he wants to instil within DDC.

*"Alan Leighton, chairman of the Royal Mail now, he's a retailer he's very different: 'you don't want a vision, what do you want that for, people know' and his end game is that when people walk into the building and they're like 'that's a bit odd and that's a bit odd', but everyone should say "well that's the way we do things round here. We get stuff done". And I suppose for me that's what I want. I want it that I'm redundant basically.*

*So you just help other people do their jobs...*

*Yes so just help other people. Yes I say that's pretty much how I try and work now"*

*(Interview 23, Head of DDC, ph 246-252)*

This view of "well that's the way we do things round here" is in fact already reflected in some of the data gathered for example:

*"So what would you say that actually gives you that difference then, what enables you to do that?*

*The culture that is in the stores, this is what we do. Like for delivery, if we get an order in before half past nine we will deliver the same day, even with stores that, like we don't have a van ... but we take an order and we will get it out to a store in the post code area and you will get it that day."*

*(Interview 16, Store Manager, ph 40-46)*

This gives evidence that the Head of DDC's mindset has permeated down to levels within the company. All interviewees when asked about where direction or the motivational drivers come from within DDC mention the areas B and A and in particular the Head of DDC.



“If you’re unhappy with any of the strategy that’s going on, who do you talk to?  
*I would actually talk to [Head of DDC], [Head of DDC]’s pretty approachable in that respect. You may not agree with me, but he’s quite happy to listen.”*

*(Interview 9, CRM and Communication Manager, ph 142-144)*

In terms of allowing people the time to reflect on work or the bigger picture, DDC’s noted pace and dynamism seems have a negative impact on this area and it is left to the individual.

“But after a piece of work do you get time to sit back and think how did I do that differently or is that an ongoing ..

*No you are just given the next thing to do. You learn as you go along don’t you.”*

*(Interview 10, Commercial Assistant, ph 324-326)*

“Do you feel you get the time to sit back and reflect on what you’re doing and where you are between periods of work?

*Not really no.*

But is that encouraged?

*It’s not discouraged, it’s just that the pace of everything. Yes, you do have to take time out to think about things.”*

*(Interview 20, Commercial Manager, ph 436-444)*

#### 4.1.2c Summary of section C findings

##### *Summary of findings: C1 Personal Drivers*

- Employees at all levels discuss very personal drivers. Career development is a big area for all areas and suggests that employees are driven people.
- Feedback is seen in many areas as very important for job satisfaction and a key driver in DDC is informal recognition.
- Areas C and D appear to focus on being able to deliver and seeing the end results as part of their motivation, more so than any other area. This shared language would indicate a strong team mindset within these levels.
- Also the idea of learning is discussed positively in the organisation and gaining experience from others.
- Key themes emerging from the data are motivation and satisfaction through others development and the progress of DDC as a whole.
- The mindset of the Head of DDC is very driven also.
- The data suggests that DDC has employees who are motivated to develop themselves through the company's processes.

##### *Summary of findings: C2 Company drivers*

- There is high enthusiasm and energy for DDC's aims throughout the organisation. This is reflected in very positive mindsets of employees.
- The culture of DDC appears to make people strive to do better, however it seems not be happening directly but in more of an indirect or "follow me" way. The internal dynamism is one factor that is remarked upon.
- As well as the pace within the organisation, other motivational drivers taken from interviews include ownership, feeling valued, empowerment, making a difference, opportunities within and outside DDC, rate of change, feedback from people (both informal/formal) and processes (reviews and bonuses). Being able to see the results of actions is important to many as well.
- A lot of the interviewees use Slough/ICI to position DDC in a more positive light or tend use that relationship as motivation. This mindset could have both negative implications for DDC.

- Level D data hints that other areas of organisation have different ways of working, especially in terms of pace and engagement. The effect of this is to de-motivate members of level D.

### ***Summary of findings: C3 Systems thinking***

- Overall, systems thinking is not formally encouraged, but seems to have developed and become part of the company and individual mindsets through informal means.
- As stated before in section B5, DDC gives good examples of how the development of good communications take down barriers, circumventing chains and gatekeepers and allow for a clearer message (allows instant feedback).
- When asked if they feel part of the system all interviewees respond positively. In terms of the different areas, A and B seem very customer aware/focussed and regularly have contact with customers. These areas reflect the view that head office is in a supporting role for the stores.
- Area C believes that they have greatest impact on stores. Operations areas give mixed responses. Some interviewees say they have most impact on store managers whereas others say it's the whole chain or customers. Area F unsurprisingly is very customer/store staff focused.
- As an overall pattern of mindsets, from D to A (so within head office), the higher you go the more broadly focused these mindsets appear to be. For example D is more store focused, as they directly work with them., whereas B views the customers too.

### ***Summary of findings: C4 Different mindsets in organisation***

- Overall DDC has a very positive company mindset that is made up of positive individual mindsets. However it would be naïve to assume that everybody shares this and individuals may resist mindset whatever their role.
- The current management attitude attempts to reduce interdepartmental mindsets. They want employees to have broader views of the company (systems thinking) and use internal dynamics to create this.
- There may not be different mindset just because there are perceptions of different mindsets and this is acknowledged in this research.



- DDC is said to have a very different company mindset than its parent company. Many interviewees argue that it is the pace of the business that is different.
- There appears to be a strong link between DDC mindset and the commercial mindset.
- The commercial team's mindset appears to be: wanting to drive business, future/forward looking, better view of where headed, more interaction with other departments, more outward looking, positive and embrace change.

#### *Summary of findings: C5 Freedom/power given*

- DDC is currently aiming for a more template driven service process so that store managers can pick and choose within a framework. This higher degree of central control is being used to allow greater consistency of service levels and also to allow store managers more time to be customer focused.
- In terms of empowerment, the Head of DDC believes it is his role to take on the responsibility it brings.
- The relationship between DDC and ICI appears to restrict freedom and demotivates in some cases in DDC.
- Nearly all interviewees are encouraged to question norms and challenge assumptions and feel that superiors actually value and take on board their opinions.
- Overall communications within DDC are informal and also seem to be in the main open and honest and not necessarily go directly up chains.

#### *Summary of findings: C6 Emphasis of feedback*

- The Head of DDC tries to be proactive on feedback. They also appear positive about feedback being a key motivator in their work.
- Informal feedback seems to come from everyone both above and below.
- Slough is said to be lacking a similar standard of feedback (reflecting earlier findings of their mindsets) lacking though).
- However there does seem to be an issue with informal feedback given in DDC in terms of its consistency and balance between honesty and its value.
- One key point from this data is that a concern that formal reviews measure the end results, not how these results are obtained.

- Also in terms of formal feedback, Operations (E and F) seem to get more figures than softer targets.

***Summary of findings: C7 Communications and culture***

- Problems and issues seem to be discussed openly within DDC.
- There is both a lot of informal daily discussion and formal weekly or monthly meetings within DDC. There is no real communication hierarchy.
- Again the dynamism and positive drive of DDC mindset is recognised whilst positioning DDC against ICI.
- The Head of DDC discusses motivational drivers and how leading by example and demonstration (a form of indirect communication) encouraged others to think the same way.
- There is evidence that the Head of DDC's mindsets has permeated down to levels within the company.
- All interviewees when asked about where direction or the motivational drivers come from within DDC mention the areas B and A and in particular the Head of DDC.
- In terms of allowing people the time to reflect on work or the bigger picture, DDC's noted pace and dynamism seems have a negative impact on this area and it is left to the individual.

## Findings: D. Feedback on models

### *D1 Feedback on models and relationship between elements: Comments from Head of DDC*

The Head of DDC defines the company vision in the following manner.

*“Company vision is actually saying: when this business was really successful and everyone was on fire, what did it stand for? Because if you’re not careful you try and fragment it too much and you try and become something you never become or you’ll destroy the company getting there”.*

*(Interview 23, Head of DDC, ph 307-311)*

The Head of DDC goes on to show how values are developed from the vision.

*So then you have, when you look at the people, what values these people want? Well most people want to service people. That’s their mindset: they want to do a good job. So these two things I think they become linked and for me it’s the same whether it’s SHE (Safety, Health and Environment) or marketing, too often people look at it and say ‘right that’s the vision’, ‘that’s the values’. It’s not because, it’s all intrinsically linked it’s all woven so actually you shouldn’t see the joins.”*

*(Interview 23, Head of DDC, ph 307-311)*

The Head of DDC therefore believes that values and vision are different ways of communicating where the company wants to go. The Head of DDC also emphasises that employees have to have the right mindsets in terms of fitting with the company.

*“I think people have realised by different things that have happened, you have to have the right mindsets, it has to fit with the company mindset. There are people who are bloody good at the jobs in this company and they will not go anywhere because they don’t have the right mindset to go to the next level and they know that. For the first time ever they know, yes you do a great job, but the way you work is wrong.*

*So how they go about it?*

*Yes, what drives them. So if they’re selfish and they’re just doing for them, sod everyone else and they don’t share anything they are not going to go anywhere.”*

*(Interview 23, Head of DDC, ph 315-321)*

The sense of sharing and of togetherness is very strong in DDC and emanates from their shared mindsets. One of the key areas that the Head of DDC highlights as a crucial factor is good implementation. Being able to fulfilling promises or delivering is an important part of that.

*“Actually I think the difference is they had plans, [but they didn’t] do anything with them historically. So yes they talked ‘yes we’ll do this, we’ll do this, we’ll do this’ and people have said to me the big change, if I talk to store managers, ‘[Head of DDC], the big change is, you stood on stage and said we’re going to do this and people went*



*yeah okay [Head of DDC], well we've heard that for the last ten years' and [now] we've done it. And I don't talk about things, I get criticised for it, I don't talk about things that we're not going to do."*

*(Interview 23, Head of DDC, ph 323-329)*

Formal feedback from customers has gained more importance in DDC now. There is also greater potential for informal feedback due to internal barriers and distance being reduced.

*"I think the feedback comes in, we survey our customers, we survey people who don't shop with us, so we never did that. We've done it every year for the last 3 years, time before that is was about 8 years. So we do place much more emphasis on market research with our customers, with markets that we would consider going into, so we've been research plumbers and joiners etc and what they wanted, how often they do shop with us etc etc and so we get feedback there and then we get all the informal feedback that goes on in the business now which didn't happen historically."*

*(Interview 23, Head of DDC, ph 323-329)*

The Head of DDC also shares his view on the relationship between mindsets and the vision.

*"Yes definitely and the way I view it, the way I explain it to people. In the store managers meetings for example, the day to day mindsets are the building block for the long term vision and what people didn't understand and they weren't given the right information to understand was 'if we do this, it might be frustrating but it leads to this'. So you could be a store manager, you do not want to do HSS, it's not whether HHS is important anymore it's the fact that we make it work, so when we go to the next piece, and 'this is the next piece of the jigsaw we need credibility in this piece'. And all of a sudden people approach things in a different way and it is the day to day building blocks form steps to where you want to be and it's a very simple way of explaining things but it's true."*

*(Interview 23, Head of DDC, ph 339-343)*

So in simple terms it is suggested that day-to-day mindsets are the building blocks for vision and it could be hypothesised that whereas vision provides the long-term goal, mindsets are how to get there.

The reasons behind strategy are said to be very important to communicate. They give system thinking and a feeling of being valued in the organisation to employees. The vision aids this process by helping to give a long-term focus without sharing sensitive strategic plans. The clarity this long-term goal brings may aid in the day-to-day engagement with marketing strategy implementation

*“So there’s an end game, it’s how much of that end game do you share with people. You share enough that they feel part of it. I can’t go “well the last piece is this” because it will be round the whole bloody industry.*

*But the actual vision helps with that..*

*Yes, they know...*

*Where they’re heading”*

*(Interview 23, Head of DDC, ph 347-361)*

The above hypothesis is confirmed when the Head of DDC reviews Model 4. It is seen as a good depiction of the relationship between the value proposition and the vision: that the internal ‘what we stand for’ (vision) and the external ‘what we stand for’ (value proposition) should in some way reflect one another.

*“[Explains model 4]. So they [value proposition and vision] reflect each other?*

*Yes*

*So different audiences really*

*Yes*

*Company vision is more internally focused: this is where we are heading*

*Yes”*

*(Interview 23, Head of DDC, ph 363-383)*

The Head of DDC emphasises the importance of the value proposition as part of marketing strategy.

*“And that is represented in the value proposition: this is what we’re doing, this is what we stand for.*

*Yes, it’s almost... you can have this vision, you can have this company vision, ‘this is where you want to be’. You won’t get there unless this bit [value proposition] is right. And it is and actually I think that’s [VP] very strong in the business, could be better, but I think it’s very, very strong. The value proposition, what the customers believe we stand for and what the store managers believe we stand for are pretty similar. We’re probably more critical, that actually shows in all the surveys, we have a more critical view of our value than our customers do.”*

*(Interview 23, Head of DDC, ph 385-393)*

Following on from the value proposition, the Head of DDC agrees that the success of the company is down to their motivation which, as part of their mindset, impacts on how they deliver i.e. the implementation of strategy.

*“Yes, every person I’ve talked to says that we can do better, even though they’re saying they are doing well, there’s always that potential to do better, that driving...*

*And I think that’s important because lots of people were “well we’re the best, so why do we need to do any better?” So I think there’s more of a hunger in the business.*

---

*So you look where we are for sales and what are we, 9% up on next year. You've seen all the numbers that people have got, I'm convinced that's down to motivation, that's down to people.*

*How they go about their job?*

*Yes it's how they go about their job"*

*(Interview 23, Head of DDC, ph 385-407)*

#### **4.1.3 Conclusion of first interview findings section**

The above findings are large in both breadth and depth. In order to bring together threads of data and in order to clarify and set into context information presented here, these findings are further explored and disseminated in the Chapter 5.



## **4.2 Follow-up interview findings and analysis**

This section contains the in-depth review of both preliminary and main analysis findings for the follow-up interviews.

### **4.2.1 Preliminary findings from the follow-up interviews**

Below is a brief record of preliminary insights from the follow-up interviews. The researcher gains these during the interviews themselves and through the transcription process. They serve to highlight prominent areas of interest that are further explored in the findings and discussion.

#### **Feedback systems**

The informal external feedback from customers to the commercial team is often filtered through store managers. This suggests that the commercial team may be lacking in effective and direct feedback of the effect of their actions. This could affect the motivational drivers within their mindsets. The vision appears to increase the ability of reflection, feedback and system thinking. Evidence for this is that:

1. Before the vision rollout employees feel that everyone knew what vision was trying to achieve but there was no personal level of how this was working.
2. The vision encourages system thinking as it makes employees feel valued, part of system and see the bigger picture.
3. It appears to give a broader and more long-term focus, increasing motivation and engagement in short-term work.

#### **Mindset variation**

The higher up in the organisation the stronger the opinion that the new vision is not really needed for DDC. This could be because the executive level and above are more likely to be part of long-term planning anyway and therefore they feel less impact than the lower areas of DDC. In answer to the assumption that the new vision communication moves from direct to indirect methods (figure 5.4), one employee believes it moves from tell to show and demonstration is said to be the target of DDC's vision rollout.

### **Mindset drivers**

One key word is autonomy. Employees feel that they have their own power, but find it difficult to explain where it comes from. The attitude ‘this is how it is’ is found in DDC and this mirrors the Head of DDC’s comments during the first interview as the aim for the DDC mindset is a ‘this is what we do’ attitude. The head of DDC also defines the company vision as ‘this is what we stand for’, reflecting Piercy’s (2002) value proposition definition and supporting its use as a framework in this study.

### **Impact of the company vision**

There is a belief in DDC that the vision doesn’t actually create engagement. If there is no engagement beforehand the vision isn’t relevant and therefore the vision only strengthens engagement. The brand, company and the product can be seen as motivational drivers too, for different areas of the organisation. For example, the stores focus on the product/Dulux brand, whilst Head Office focuses more on the DDC brand.

### **Positioning against parent company**

Speed (and internal dynamism) is said to be a critical difference between DDC and its parent company. This impacts on mindsets by driving people forward. Mindset drivers do not just affect individual’s mindsets but company mindsets as well. Subsidiary pride and being compared to Headquarters acts as a mindset driver. However the new organisation wide vision appears to negate some of this positioning against, drawing the company’s disparate mindsets together. DDC has the atmosphere of a smaller company with an informal culture. This allows flexibility, empowerment and dynamism, however the lack of formal communication on its long-term vision in the past has meant a degree of uncertainty in its mindsets.

## **4.2.2 Full findings from follow-up interviews**

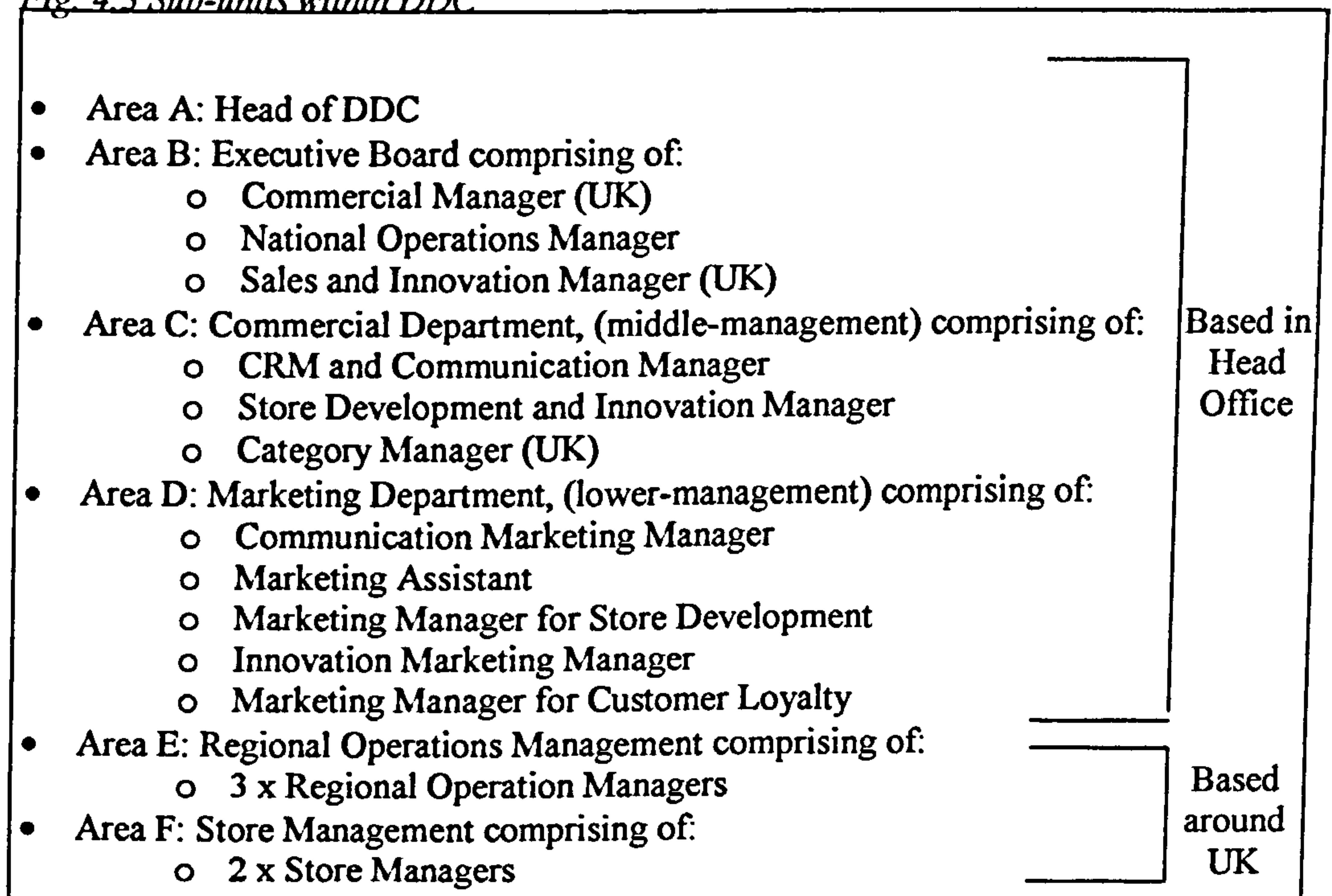
### **Introduction**

This process mirrors the methodology of analysis for the first interviews. The following findings are produced using transcripts from all interviews. NVivo is used to break down the data into categories (or Nodes) of interest that are partly taken from the research objectives and the literature review (see methodology for details) and have also

been developed during coding. These induced elements have been added to the aforementioned deduced elements to create a solid and exhaustive categorising list. For a full list of categories see next page (Fig. 4.4)

Once coded, the data in these 'nodes' are broken down further into their respective levels or areas within the company:

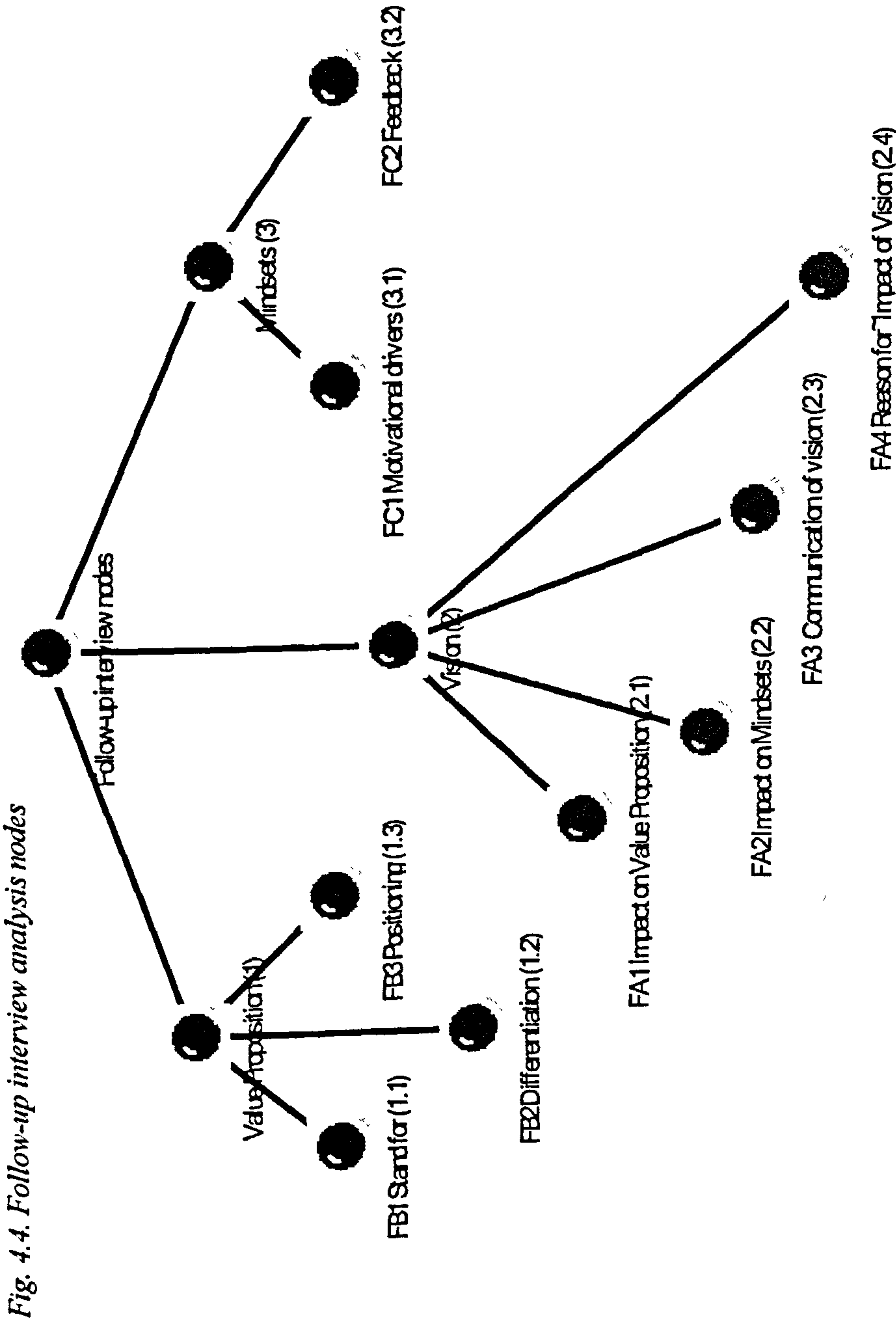
*Fig. 4.3 Sub-units within DDC*



This splicing of data allows comparisons across operational and hierarchical boundaries. The following work is the output from the researcher digesting this data at individual, area and organisational levels and then key areas and insights relevant to the research objectives are drawn. These findings are analysed in a wider context in the discussion (chapter 5). Summaries are given at the end of each node section (FA, FB and FC).

Quotes are placed within nodes and are presented with their interview number, job title of interviewee (for context) and paragraph number. Through these details, all extracts are directly linked to their nodes, examples of which can be found in appendix B.





## Findings FA: Vision and Mindsets

### *FA1 Impact on Value Proposition*

Many participants suggest that the vision gives a structure or backbone on which employees can build upon.

*“Do you think that new vision will affect what you stand for in terms of customers? I think it it’s being very good at bringing all of what DDC stands for together already and it does give us a framework to carry on and keep pushing forward in that way. I think it will have more impact on the rest of business.”*

*(Interview 36, Commercial Manager, ph 26-28)*

All levels say that the vision will bring clarity to the message, it will crystallise and formalise the focus of the organisation. It does not actually change what the company stands for to customers, but it merely makes it stronger.

*“How will it change it do you think?*

*I think it’s just making the messages clearer, the messages are very, very positive and strong. I think the just need to be confirmed and reaffirmed in store, you know in the normal way, cascades from head office down.”*

*(Interview 29, Marketing Manager for Store Development, ph 26-32)*

The communication of the new vision has made people within the organisation much more aware of these values and the focus of the company. It has placed greater emphasis on these values, however this may not affect those who already have this awareness.

*“I think people are probably a lot more aware of it and I don’t know whether it’s had any impact on what customers see it’s more internal. I think people are a lot more aware of what we’re trying to do.”*

*(Interview 31, Communication Marketing Manager, ph 30-36)*

*“I think it’s not changed anything of the way that we’re perceived or anything of the way that we actually are: I think it’s brought more focus to it.”*

*(Interview 33, Store Manager, ph 30-36)*

Areas B and A believe that there has been no real impact on DDC’s mindsets through the rollout of the new vision. They argue that DDC has been doing this already and that it affects the other parts of ICI more than DDC itself. This suggests that the new vision fits DDC very well indeed.

*“Has that affected what you stand for with customers, has that affected that at all?  
I don't think so as yet no and I think to be honest we were fairly aligned to that vision  
anyway so its not been a drastic change for us”*

*(Interview 25, Sales and Innovation Manager, ph 24-30)*

*“Will that affect what you stand for in terms of customers?  
No I think because the 5DS, we've been doing that for in DDC for the last 3 years, so  
it's more the rest of the company coming in line.”*

*(Interview 37, Head of DDC, ph 34-44)*

*“I think that DDC is slightly different from the rest of the business in so much as I  
think we've been living the 5 Ds for most of them. I think if anything, it will... when  
people embrace the values and understand it a bit more I think it will improve what  
we do.”*

*(Interview 34, National Operations Manager, ph 30-32)*

Areas C and D however suggest that it will have an impact on their motivation and focus and therefore will impact on the value proposition in terms of how it's carried out.

*“And how so you think it will affect the service you give...  
If it ends up with a more motivated and engaged work-force then it will have an  
ultimate effect on the customer, a positive effect.”*

*(Interview 32, Store Development and Innovation Manager, ph 34-44)*

Again they believe that the message is not changing (in terms of the value proposition), but that the vision strengthens and focuses employee's mindsets in turn impacting on their implementation of the value proposition. Areas E and F say that the vision makes the aims of the company clearer and aids the development of a longer-term focus at store level. This in turn will impact positively on the customer experience and therefore must have some influence on the delivery of the value proposition.

*“I think it has affected how we deal with customers and how the stores deal with  
customers because they've got a far greater understanding of what our vision is and  
our end goal.”*

*(Interview 35, Regional Operation Manager, ph 26-28)*



### *FA2 Impact on Mindsets*

Employees from all areas believe that there is a need for formalised communication of the vision rather than informal. It seems that a formalised vision will bring confidence to mindsets.

*"Hopefully it will make...it will give people a structure, there's been a need for that and I don't think it's had it before and almost a written down 'this is who we are, this is what we are' rather than just talking about it and I think it will make people just more aware of what they do."*

*(Interview 36, Commercial Manager, ph 30-32)*

Now that the awareness of the vision is high at all levels, it is how people use it that appears to be the key goal within DDC. This implementation of values/vision is the end target for DDC.

*"I think the big bold brilliant and the 5Ds will... they affect everybody differently, but I think they're relevant to everybody which is the key and it's however you translate them for your particular area. Stores translate them very, very directly in terms of results, sales targets, delight customers, giving good customer service, so that is...commitment, making a deliver happen when they want it to, so that translate it that way whereas internally in here and head office each department will have a different way of looking at it."*

*(Interview 36, Commercial Manager, ph 74-76)*

Employees argue that an engaged mindset is needed before the new vision can actually impact. Again, although awareness may be high, this reflects the DDC target of implementation of the vision rather than merely its communication.

*"I suppose it all depends on your enjoyment of your role in your job anyway. I think if you, if your seeing that others, if you see that your progressing with things then things are changing then..."*

*So a lot of it depends on this...*

*Yes, yes if you've not got much engagement with the job anyway I don't think the vision and values would do anything."*

*(Interview 31, Communication Marketing Manager, ph 100-106)*

As well as the engagement of individual mindsets many believe that the mindset of superiors is very important in terms of the vision's impact on team members.

**“How do you think this vision will affect other areas of the company? Will they be affected differently or?”**

*Yes I think different departments will, depending on who leads that team and how bought into it they are will depend on whether they come on board.”*

*(Interview 30, Marketing Manager for Customer Loyalty, ph 134-136)*

The mindset of the marketing department (areas C and D) is said to be less affected than the operations side of the organisation (Areas E and F). This could be firstly because the marketing department is closer to the value proposition anyway and also due to the wide distribution of operations employees compared to the everyday discussion of personnel within head office.

**“But has your view of the company changed since the vision?”**

*From my own perspective no, because coming from marketing I was very clear on the...well the vision so I just think now we've communicated that to the stores to the customer-facing people which is important.”*

*(Interview 35, Regional Operation Manager, ph 30-36)*

Again this emphasises that the new vision affects the people further away from the marketing department within DDC. It is on this mindset the vision is having greatest impact. As there are many ‘buzz-words’ within DDC surrounding this vision, this study explored where this lead to an increase in confusion rather than clarity. However, most employees reply that the new vision was very simple and that it is the outcome or implementation that is key, not the knowledge, confirming earlier findings.

**“Does it matter if there is [confusion over vision, values and mission]?”**

*Not necessarily as long as it all fits together to provide one main message. It doesn't matter what all of these things are called as long as they're giving a coherent view of where we want the vision to be really.”*

*(Interview 27, Innovation Marketing Manager, ph 95-107)*

Employees are asked if their projected image of the company in the first interview has been affected. Nearly all reply that it hasn't changed, again supporting previous findings that the messages haven't changed within DDC, but their communication has. Some employees, particularly in area D, believe it has made their view slightly clearer and has formalised it. This may allow those who work very closely with the mindset of DDC to stand back and reflect on it.

“Has your view of DDC changed at all because of the new vision?

*I wouldn't say it's changed particularly. I just think they've just put a label on a few things that were already there...*

So maybe clearer?

*Yes, maybe a bit more clearer”*

*(Interview 26, Marketing Assistant, ph 36-42)*

As previous findings highlight, DDC employees on the whole think that it is the wider business i.e. the ICI/Slough mindset that will change rather than DDC's due to the new vision rollout and implementation.

*“Ultimately what it does say to myself is that where Slough are trying to get to is more like the way that DDC runs. It's more kind of... you know DDC comes from a family business the way it's run, it's all about getting stuff done now and I think certainly (and I don't know) the philosophy of Richard down at Slough is very much to get them to think, not the same as us because we do a lot of things wrong, but we also probably do more things right than Slough.”*

*(Interview 28, CRM and Communication Manager, ph 40-42)*

One executive member (area B) sums up how they believe the vision will affect the mindset of DDC as a whole.

*“Well DDC probably, as I say, lived a bit of this. I mean we do these things, or we like to think we do within the business. It was important because of the change that's been made to the structure of the wider business in so much it's now being traded as one business, UK and Ireland, whereas it's been, the buzz word at the moment is silos so loads of functions operating in different silos and independent of each other. I think this is the pivot on which we or the axis on which we pull everything together and then start to take it forward.”*

*(Interview 34, National operations Manager, ph 68-98)*

The view that the new vision rollout will aid other processes is reflected at all levels.



### *FA3 Communication of vision*

In terms of methods used to communicate the new vision all participants mention formal-direct such as the conference, posters and screensavers. One employee mentions discussion (formal-indirect) whilst none mention indirect methods.

*“And in what ways has it been communicated to you, the new vision?  
We’ve had emails, we’ve had meetings, had something on my desk, a flip thing (which appeared when I was on my holiday) and people talk about it more.”*  
(Interview 26, Marketing Assistant, ph 48-54)

This lack of indirect methods may mean that they simply have not been used yet or it could merely be a characteristic of indirect methods. At the moment, the vision is being communicated in a highly visible way through direct and formal means in order to create awareness. In fact the symbol of vision (the painted handprint) seems to be widely recognised.

*“Also things like that thing you see up on the wall there a quick reference guide to it all we have got screensavers now there are posters up around the business, its all a lot more lively, if anybody sees the symbol now I am sure they could tell you what it is I am sure most people could have a fair stab at telling you what the 5 D’s were sort of thing.”*

(Interview 25, Sales and Innovation Manager, ph 48-54)

*“Initially it was from the conference, there are posters round the office, they’re going to be in store as well, I think it’s just as much visibility as possible, there’s screensaver so it’s there all the time you know.”*

(Interview 29, marketing Manager for Store Development, ph 56-66)

In order to go further than just awareness and create a belief in the message, the repetition of message through informal discussion is said to be the next crucial stage.

*“I think where we’re weak is demonstration because we’re so early in the process, but just almost repeating, not repeating the words because I don’t think the words are that important, but you know in a very light hearted way...*

*So it’s the frequency*

*It’s the frequency, just keep talking about them.”*

(Interview 36, Commercial Manager, ph 38-60)

All interviewees say the communication of the new vision has been successful and no real improvements or alternative are suggested, although again roll out is at an early stage.

*"To be honest you're almost in danger of doing it the way that we've done in almost, not overkilled it but we've tried to cover it from every angle. I think short of putting it up on television I think it's probably as good as it can get."*

*(Interview 34, National operations Manager, ph 44-50)*

The following findings focus on the comments arising from interview model A (see appendix A13). All interviewees understand the model once it is explained to them and are happy to use it to structure their answers, indeed many use terms from this model in later discussion. All areas confirmed that initial communications are very formal direct and that now DDC is moving into more indirect ways. As found above, day to day (informal direct) discussion is seen as crucial in giving high frequency and as an effective way to instil confidence in the vision.

*"Do you think there are other ways or better ways it could be done?"*

*I think the most effective way is to sit down and talk about it more often. Hopefully we'll...you know it has happened since we've had the presentation and hopefully we'll see that happening in the future.*

*So really it's the regularity the frequency that's more important.*

*Yes"*

*(Interview 32, Store Development and Innovation Manager, ph 54-66)*

*"I think it's caught on I think it just needs to be repetitive..."*

*So it's the frequency of it?*

*Yes, it's the frequency, the repetition, as long as, it's not hammering it home to people, it's just reaffirming what the 5 Ds are because people aren't going to get them straight away and as soon as they understand what they are and they know them off by heart, they're going to use them on a daily basis."*

*(Interview 29, Marketing Manager for Store Development, ph 56-66)*

Informal indirect communication of the vision appears to be the end goal or aim of the new vision and is seen as most effective method by most interviewees.

*"And which do you think are most effective?"*

*I think in the long term the demonstration and leading by example, keeping promises that's where you can prove that it's not just words."*

*(Interview 36, Commercial Manager, ph 38-60)*

*"What would you say that DDC has focused on at the moment? What ways of communicating?"*

*It's done the formal pieces, it's in day to day discussion and in areas it's in [points at demonstration].*

*Is that what you're heading for?*

*That's what...[nods], so for me, I try and demonstrate the values and I think within the DDC business people do, there's pockets where people don't but in general people demonstrate those values."*

*(Interview 37, Head of DDC, ph 50-74)*

However, some area D participants view informal methods as being most effective for them.

*"And which would say would be the most powerful for you?  
I think informal direct would be very good, day to day discussion because I think that's very informal, it's best to keep it informal"*

*(Interview 29, Marketing Manager for Store Development, ph 70-86)*

Some participants from area D also highlight that formal-indirect methods are important as these make it relevant to employee's work by actually showing them how it can be implemented. This could be said to be a crucial step before using demonstration (informal-indirect) as a communication tool.

*"And which do you think is most effective for you?  
I guess probably the more indirect ways, the performance reviews and the leading by example type things.*

*Why is that?*

*I think because I'm quite affected by seeing how other people are behaving, but also the formal things like performance reviews, if I know what's expected of me and how I'm supposed to perform so those two things work quite well together."*

*(Interview 27, Innovation Manager, 61-73)*

Also when asked to comment on the researcher's proposal that communications move from targeting cognition to behaviours (direct to indirect) all participants agreed.

*"Yes, it's almost like going from tell to show and then you're looking for it to be demonstrated back up the system and that's the way I kind of envisage it."*

*(Interview 34, National Operations Manager, ph 54-66)*



### *FA4 Reason for/Impact of Vision*

All interviewees have similar opinions on the impact of the vision that have been highlighted in the previous findings. Firstly that it is the clarity of the message and not the message itself that has changed and that it is a framework/structure to build on and to move forward with: part of an ongoing process not the end result.

*“To be honest it’s a lot clearer, I think if you were to ask well as you have done a lot of people what the old vision was they would erm and ahh a little bit and to be able to tell you bits of it or their perception of bits of it but it was never very clearly communicated and it was never, you didn’t get the feeling that everybody totally bought into it and it was something we were going in the same direction. Whereas I think with the new vision because it has been clearly communicated and providing the fact that we keep drumming this home people all the time that this is the way we do business its not just a fad, then I think it’s a lot clearer framework to go forward with.”*

*(Interview 25, Sales and Innovation Manager, ph 44-46)*

Again, interviewees confirm that the new vision is seen as more vital for the wider business rather than DDC itself and that it brings a broader view of the company to mindsets. Overall many employees believe that the new vision has meant that what was implicit in the company has now been made explicit. As well as this it tends to give a long-term focus to employees mindsets.

*“So would you say it’s more a long-term kind of focus?*

*Yes, I would do because for me, personal goals are more short-term and I think it’s quite nice to have a goal actually that’s shared with the company for a change.”*

*(Interview 28, CRM and Communication Manager, ph 81-87)*

The new vision seems to allow greater reflection on employees’ roles within the organisation, increasing drive and gives values to aspire to.

*“Obviously, individually we have our own personal goals I think it’s quite nice to almost see what I see a vision as, almost a company goal, an overall vision of where the company is going to go to and can you aspire to yourself to go with that vision and I think without that vision there’s no aspiration for you to go in the same direction as the business, you’re just going to go in the direction that you want to go in.”*

*(Interview 28, CRM and Communication Manager, ph 81-87)*

In terms of the interview model B, overall employees believed that it will indirectly affect all the elements noted as they relate to one another. Mentioned most is that the vision changed their view of the company. Some participants say it affects what they

feel they are judged on, the way they do their job through the values in their objectives (formal-indirect method) and also through changing their view of the company it may indirectly affect their motivation and enjoyment of the job too. Generally, the views from all areas of the company reflect one another, however the following findings highlight some key elements that are slightly stronger in different areas of the company.

In areas A and B interviewees strongly feel that DDC already has this vision and that it is more for the wider organisation. Also that the vision gives a framework that encourages mindsets to broaden and emphasises a long-term view.

“From your point of view why was this vision needed?

*Well DDC probably, as I say, lived a bit of this. I mean we do these things, or we like to think we do within the business. It was important because of the change that's been made to the structure of the wider business in so much it's now being traded as one business, UK and Ireland, whereas it's been, the buzz word at the moment is silos so loads of functions operating in different silos and independent of each other. I think this is the pivot on which we or the axis on which we pull everything together and then start to take it forward.”*

*(Interview 34, National operations Manager, ph 68-98)*

“From your point of view why was this vision needed, or was this vision needed?

*I think it was needed for clarity to be quite honest, I think if there was a confusion out there of what we were about, its a fairly complicated business, and I think everybody looks after their own piece of it day to day not often do you get to see the whole picture.”*

*(Interview 25, Sales and innovation Manager, ph 68-74)*

In area C the vision is also seen as a feedback tool.

“So do you think it allows you to reflect on your job more? So you've said you felt you're judged on these things?

*Yes, yes. Like I say I've had a look at my objectives and seen do they fit back down to these visions and in that way it's going to serve as a better feedback tool and say 'okay well how are we achieving by structuring the objectives like this?'"*

*(Interview 32, Store Development and Innovation Manager, ph 96-106)*

In areas D, the 'old vision' is implicit within the company's culture.

“Is the message changed or just the way it's communicated changed?

*The way it's been communicated mainly in that now it's formal. Previously it was something that was kind of inherent just in what people did and kind of by leading by example whereas now it's actually written down which makes it a lot clearer for people to follow.”*

*(Interview 27, Innovation Manager, ph 42-49)*

Also in area D is the idea that there is more need for the vision the further you are from the Head of DDC, an opinion supported by previous findings.

“From your point of view why was this vision needed or was this vision needed?  
*I don't know that it was needed particularly at our point in the organisation because we're quite close to the person who kind of leads the vision and instils it in the business.*

So you mean the commercial team?

*Yes, but at other points in the business it's probably quite important because the further you get away from [Head of DDC], who is the person who leads by example, then you get further away from the message of the vision. So if you work in a store on a Saturday for example, you may never see [Head of DDC], maybe see him once a year so maybe that doesn't get communicated”*

*(Interview 27, Innovation Manager, ph 75-81)*

Level D also believe that the vision gives a long-term focus whilst making the aims of DDC much more relevant to the individual.

“So from your point of view why was this vision actually needed?

*I think the company needs something for employees to focus on.*

Is that a long-term thing you mean?

*Yes I think it should be, but I think there's a need for a general purpose of where you're heading or where you're going.*

So there wasn't that beforehand?

*I think everyone sort of knew what the business was aiming to achieve but there was no sort of personal level of how is this working.”*

*(Interview 30, Marketing Manager for Customer Loyalty, ph 114-124)*

The atmosphere is also commented upon by interviewees in area D as being more positive after the new vision rollout.

“Is there a different feeling about the place?

*I think there is... People seem to be a bit more upbeat because they seem to...I think the company's progressing at great speed...*

So it's sort of driven people?

*It has, yes. ...I think it does drive people forward and that's one of the 5 Ds”*

*(Interview 29, Marketing Manager for Store Development, ph 42-52)*

Area E believes that the vision will bring members of DDC a clearer understanding of the wider business.

“So from your point of view why was this vision actually needed?

*Because there was a lack of clarity across the business. There's a lot of employees dealing with a lot of different customers and there was a lack of clarity about what we actually stand for as a business, whether it's value or quality.*



Do you means in terms of DDC or the wider business?

*No the wider business."*

*(Interview 35, Regional Operation Manager, ph 72-86)*

Store Managers (area F) agree that the message of the vision was within DDC already, and that it is just a new way of communicating it.

*"I wouldn't say it was needed I think we've always had the vision and I think we've always had the 5Ds even though they may not have been presented in that particular way. I think we've always been very customer focused, but I think it's just a way of highlighting it in a different way."*

*(Interview 33, Store Manager, ph 82-92)*

#### 4.2.2a Summary of section FA findings

##### *Summary of findings: FA1 Impact on Value Proposition*

- Many participants suggest that the vision gives a structure or backbone on which employees can build upon.
- All levels believe that the vision will bring clarity to the message, it will crystallise and formalise a lot of the focus of the organisation. However it does not actually change what the company stands for to customers, but it makes it stronger.
- The communication of the new vision has made people within the organisation much more aware of these values and the focus of the company.
- Areas B and A believe that there has been no real impact DDC through the rollout of the new vision.
- Areas C and D however suggest that it will have an impact on their motivation and focus and therefore will impact on the value proposition in terms of how it's carried out.
- Employees believe that the message is not changing (in terms of the value proposition), but the vision strengthens and focuses employee's mindsets that in turn impacts on their implementation of the value proposition.
- Areas E and F believe that the vision makes the focus of the company clearer and aids the development of a longer-term focus at store level.

##### *Summary of findings: FA2 Impact on Mindsets*

- Employees from all areas believe that there is a need for formalised communication of the vision rather than informal.
- This implementation of values/vision is the end target for DDC.
- Employees argue that a mindset which is engaged is needed before the new vision can actually impact.
- Many believe that the mindset of superiors is very important in terms of the vision's impact on team members.
- The mindset of the marketing department (areas C and D) is less affected by the vision than the operations side of the organisation (Areas E and F).
- Most employees replied that the new vision is very simple and that it is the outcome or implementation that was key, not the knowledge.

- DDC employees on the whole think that it is the wider business mindset that will change rather than DDC's due to the new vision.
- The view that the new vision rollout will aid other processes is reflected at all levels.

### ***Summary of findings: FA3 Communication of vision***

- In terms of methods used to communicate the new vision all mention formal-direct such as the conference, posters and screensavers.
- At the moment, the vision is being communicated in a highly visible way through direct and formal means in order to create awareness.
- The repetition of message within informal discussion at this early stage is said to be the next crucial stage.
- All interviewees understood the interview model A and are happy to use it to structure their answers and in later discussion.
- All areas conformed that initial communications are very formal direct and that now DDC is moving into more indirect ways. Day to day (informal direct) discussion is seen as crucial in giving high frequency and an effective way to instil confidence in the vision.
- Informal indirect communication of the vision is said to be the end goal or aim of the new vision and is seen as most effective method of most interviewees. However, some area D participants view informal methods as being most effective for them.
- Some participants from area D also highlight that formal-indirect methods are important as they make it relevant to employee's work and show you how it can be implemented.
- When asked to comment on the researcher's proposal that communications move from targeting cognition to behaviours (direct to indirect) all participants agreed.

### ***Summary of findings: FA4 Reason for/Impact of Vision***

- Clarity of the message and not the message itself has been has changed and that it is a framework/structure to build on and to move forward with: part of an ongoing process not the end result.



- 
- The new vision is seen as more vital for wider business rather than DDC and brings that broader view with it.
  - Overall many employees believe that the new vision has meant that what was implicit in the company has now been made explicit. As well as this it tends to give a long-term focus to employees mindsets.
  - The new vision seems to allow greater reflection on employee's roles within the organisation and also increases the drive and gives values to aspire to.
  - In terms of the interview model B, overall, employees believe that it indirectly would affect all those elements as they relate to one another. Mentioned most is that it changed their view of the company.
  - In areas A and B interviewees feel that DDC already has this vision and that it is more for the wider organisation. Also that the vision gives a framework, encourages mindsets to broaden and emphasises a long-term view
  - In area C the vision is also seen as a feedback tool.
  - In areas D, the 'old vision' was implicit within the company's culture.
  - Also in area D is the idea that there is more need for the vision the further you are from the Head of DDC.
  - Level D also believe that the vision gives a long-term focus whilst making the aims of DDC much more relevant to the individual.
  - The atmosphere is also commented on by interviewees in area D as being more positive after the new vision rollout.
  - Area E believes that the vision will bring members of DDC a clearer understanding of the wider business.
  - Store Managers (area F) agree that the message of the vision was within DDC already, and that it is just a new way of communicating it.

## Findings: FB. Value Proposition

### *FB1 What do they stand for?*

The word quality is repeated by almost all interviewees. Most focus on the quality of service, but the product and stores are also mentioned.

“What does DDC stand for in the market?

*Yes it stands for quality. Quality of product, quality of service. I like to think that that's also reflected in the quality of personnel that we have working for us.”*

*(Interview 33, Store Manager, ph 10-12)*

All interviewees give facets of the same value proposition from their perspective, for example operational areas tend to focus more on the product whereas the commercial team tend to focus on the service levels. The higher levels tend to have a wider viewpoint.

“What does DDC stand for in the market?

*Quality, value and very much our positioning in the market that's a premium.”*

*(Interview 35, Regional operation Manager, ph 10-12)*

“What does DDC stand for in the market?

*I think we're the leading merchant for professional decorators and serious diyers. I think it's service more than anything else, that we stand for.”*

*(Interview 37, Head of DDC, ph 10-12)*

**FB2 Differentiation**

The overall focus of DDC's differentiation appears to be on the service in stores. As supported by previous findings, operations areas (E and F) tend to emphasise the product more than other areas, though they still see service as key. The ability to offer the complete package (knowledge, product and service) is also emphasised by all areas.

"And what makes you different to your competitors?

*Our knowledge of personal our interpersonal reaction with the public and trade our knowledge. The full service that we give, the full package that we offer."*

*(Interview 24, Commercial Assistant, ph 12-14)*

*"I think it's the service element of it that makes us different. It's the services that we offer in addition to the product lots of people offer the products we offer a range of services and support that back it up."*

*(Interview 25, Sales and Innovation Manager, ph 12-14)*

Within service, knowledge of both customers and products (in stores particularly) is very highly regarded in the commercial team (areas C and D). This could be due to the way in which the commercial team frequently uses this differentiation in their work.

*"I would say our service...*

*In what way?*

*In the knowledge that our staff have. Within the store and within head office as well, there's quite a good support network, going from the person behind the counter to people in accounts, people in customer service, that kind of thing. I would say it's a lot broader, I would say the staff who work in store and head office are more here for longer times than what you get with our competitors.*

*Right so what does that give you?*

*It gives our staff experience, they get to know the customers better, they get to know the products alot better."*

*(Interview 26, Marketing Assistant, ph 14-24)*

The Head of DDC agrees with other levels that service is the key difference, and also emphasises the effect of the brand.

"So what makes you different to your competitors?

*I think we've got the... well we have, we've got the strongest brand and we get the halo effect off the bigger brand and we out perform all our competitors on service.*

*In what way service?*

*Everyone in the store goes an extra mile whether it's deliveries whether it's product knowledge..."*

*(Interview 37, Head of DDC, ph 14-20)*



This view of the quality product and brand is also mentioned in most areas in addition to the service. It is still therefore seen as a differentiator, but as other outlets will have these products too, it is not perceived as strongly as the service.

“And what makes you different to your competitors then?

*I think the stores network compared to our competitors is far more premium trading environment compared to our competitors. Price-wise we're more expensive, but when people have bought into it we offer that value and quality.”*

*(Interview 35, Regional Operation Manager, ph 14-16)*

### ***FB3 Positioning***

Overall, DDC wants to be seen as the first choice for decorators and serious diyers. Also many of the employees within DDC view the relationships with customers as more than merely transactional, including advice and problem solving as a key facet of the stores, not necessarily resulting in sales.

“How what do you want your customers to think of DDC?

*I would like them to think of us as one of the most knowledgeable, the best service where if they have a problem query, it's not all about sales, they can come in and ask us a question.”*

*(Interview 26, Marketing Assistant, ph 26-28)*

“And how do you want customers to think of DDC?

*The first place they try, the first place they go, if I want something for decorating I know that DDC's will have it and solve my problems”*

*(Interview 25, Sales and Innovation Manager, ph 16-22)*

This feeling of helping customers is found throughout all areas of the organisation.

“And how do you want customers to think of DDC?

*Friendly, knowledgeable, easy going you know not giving that full trade, all be it that they are getting the best product but its approachable.”*

*(Interview 24, Commercial Assistant, ph 16-18)*

“And so how do you want you customers to think of DDC?

*I think it's they can come to us for advice, if they have a problem, certainly on paint and accessories etc they can come to us in the store and get what they need not only in terms of product but also advice on how to do the job properly.”*

*(Interview 28, CRM and Communication Manager, ph 22-28)*

In terms of positioning, the service is still seen as key part of this customer perception, as well as the range of products available.

“And how do you want customers to think of DDC?

*That we're a place to come for to receive quality service, advice about our products that they want to use and to be able to purchase those quality products that they need.”*

*(Interview 32, Store Development and Innovation Manager, ph 22-32)*

The Head of DDC mirrors this mindset, believing that the relationship should go beyond transactions developing trust and symbiotic relationships.

“How do you want customers to think of DDC?

*That they can get anything they want within their working life they can get, but more than that it's... they feel part of, almost the DDC culture or business. A bit more than just going into a store.*

A bit more than a transaction

Yes.

And do you think they do think that?

*Yes, I think in good stores they definitely feel that.”*

*(Interview 37, Head of DDC, ph 22-32)*

The Head of DDC also believes that the stores are so good at building relationship that this can become a problem when new customers come into the stores.

*“Where we lack is where customers go to stores they don't normally... we're very good with the people we know, we're not good with the people we don't know.”*

*(Interview 37, Head of DDC, ph 22-32)*



#### **4.2.2b Summary of section FB findings**

##### ***Summary of findings: FB1 What do they stand for?***

- The word quality is repeated by almost all interviewees. Most focus on the quality of service, but the product and stores are also mentioned.
- All give a facet of the same value proposition from their perspective, for example Operational areas tend to focus more on the product whereas the commercial team tend to focus on the service levels. The higher levels tend to have a wider viewpoint.
- In summary the data from the follow-up interviews shows that employees interviewed believe that DDC's value proposition is: quality service and products, first choice, one stop shop with expert knowledge.

##### ***Summary of findings: FB2 Differentiation***

- The overall focus of DDC's differentiation appears to be on the service in stores
- The ability to offer the complete package (knowledge, product and service) is also emphasised from all areas.
- Within service, knowledge of customers and products (in store particularly) is very highly regarded in the commercial team (areas C and D).
- The Head of DDC agrees with other levels that service is the key difference, and also emphasises the effect of the brand.
- This view of the quality product and brand is also mentioned in most areas as well as the service.

##### ***Summary of findings: FB3 Positioning***

- Overall, DDC wants to be seen as the first choice for decorators and serious diyers. Many of the employees within DDC view the relationships with customers as more than merely transactional
- In terms of positioning, the service is still seen as key part, as well as the range of products available.
- The head of DDC mirrors this mindset, believing that the relationship should go beyond transactions developing trust and symbiotic relationships.

- The head of DDC also believe that these stores are so good at building relationship that this can become a problem when new customers come into the stores.

## Findings: FC. Mindsets

### *FC1 Motivational drivers*

The following findings have been split by areas in order to give a comparison of mindsets. For these questions a list of drivers collected by the first interviews was given to aid the discussion (interview model D, see appendix A13).

In areas A & B there is a strong feeling that a no blame culture is the key to empowerment. Other elements such as feeling valued and nearly all drivers listed in interview model D are mentioned. The way to develop this culture is said to be through demonstration (indirect/informal), and not just talk.

“Are there any that stand out as the key?

*I think it's dynamic, empowerment, people feeling valued probably and there's no blame that's the big thing that's...and I think that actually once you've got that piece [no blame] lots of this comes with it. So if you went back four years, everyone pointed the finger at everyone, you just don't see it anymore and that's not that people are complacent, they just don't blame each other.*

And how have you gone about developing that? Is it again through demonstration or...

*Yes, definitely”*

*(Interview 37, Head of DDC, ph 108-152)*

A key finding from areas A and B is that DDC is seen to have the advantages of a much smaller business such as being flexible and fast.

*“I think DDC has always had a more positive culture than possibly other elements of ICI, it's a much, its almost run like a small company I think and I think that people feel that their views count for more in that smaller company and I also think in fairness that [Head of DDC] has a lot to do with it because by including managers, by inviting managers in on a regular basis by listening to what they say and by actually actioning that giving them a voice if you like, so they didn't just think that they were being dictated to by head office and their opinions didn't count but by including people in it and giving them the ability to have their say that improves peoples morale and perception of the company.”*

*(Interview 25, Sales and Innovation Manager, ph 116-122)*

At level C this feeling of a smaller company is shared and the drive that comes from this feeling of personal involvement is developed throughout the company.



“Where does DDC get this drive from?

*I think it manifests itself from top to bottom, bottom to top. I think certainly if you've got somebody that's driven at the top. Driven in a way that, you know, there's a feeling that they have your own interests at heart, not just to make a huge amount of money for the business and I think that manifests down to the exec team and then hopefully I would suggest then down through everybody within the business. But it also works bottom to top. There's a lot of people who have been here years, there are store managers still, not sure still obviously they weren't store managers when they started, but never the less they bring that element of family business which brings it back up the other way”*

*(Interview 28, CRM and Communication Manager, ph 107-113)*

Also highlighted in area C is the development of a strong drive through positioning DDC against ICI.

*“I think there's a good team atmosphere in DDC. I think we have an advantage of being a stand alone part of ICI in that we...there always seems to be a little crusade going on in DDC as well which is 'yes, we'll grab whole of our brand and we'll show ICI what we do. So it's almost not like a fight, but a want of being the victor and a want to do things better than our colleagues at ICI can do, so I think that's where a lot of the drive comes from.”*

*(Interview 32, Store Development and Innovation Manager, ph 118-124)*

Area C also appears to gain a great deal from the freedom given to them and ability to see that they are making a difference, both linked to empowerment.

*“From my perspective I like the fact that I can own a lot of my tasks, there's quite a lot of autonomy given to myself and I quite enjoy that. I am able to deliver and see the results of that delivery as well especially in the store events that we work to deliver. That really drives me forward. I do feel like I'm making a difference.”*

*(Interview 32, Store Development and Innovation Manager, ph 146-154)*

At level D many of the previous findings are uncovered. A no blame culture is highlighted as a large part of the positive mindset within DDC and the culture of commercial team is very strong which acts as a strong driver too. The enjoyment of their work is a simple driver that may be overlooked and that they take pride in being a part of DDC. Also some mention that the actions of areas A and B help to drive them as well. The extracts below highlight some of these findings.

“Where does DDC get this drive from?

*I think it's the culture of the organisation, it's very striving to do things well and quickly and it probably does come from [Head of DDC], from the exec coming down.”*

*(Interview 27, Innovation Manager, ph 109-111)*

“Where does DDC get this from?

*...I think the culture of the business is very important, there's no blame culture here.*

And is it through everyone else demonstrating that do you get that?

*Yes, I mean it's just a great atmosphere to work in, I think the other one there [model B] motivation. I am motivated I really do enjoy my job, I really do and I think those are key facets of it as well, you really have to have that and if people are motivated in their work you'll get the most out of them. The most productive people always enjoy what they do so...*”

*(Interview 29, Marketing Manager for Store Development, ph 122-132)*

“Where do these come from? How are they developed in DDC?

*I think it's the way that [Head of DDC] and the exec team have said that they want to run the business. They're very happy for you to take ownership of a project, for you to make mistakes, as long as you don't make them again, that's okay.*

So it's actually demonstrating that this is okay to do.

*Yes and allowing you to go out there and to do it and when you do get something wrong you don't get blamed. If you do it two or three times then you do and that then gives you the confidence and the empowerment to be able to do it.*”

*(Interview 27, Innovation Manager, ph 143-161)*

The regional operation managers (area C) also see the strong DDC culture as something that has developed from the mindset of positioning against Slough.

*“I think it's a culture developed within DDC but we've always been classed as the poor relation to Slough and the manufacturing arm and previously our sales have been driven by manufacturer whereas now our sales are driven by the customer, what we sell, how we go about selling and I think the motivation is there because when employees for DDC see the wider picture of ICI we're actually very strong influence on profits.*

So motivation is sort of positioning yourself against ICI?

*I think the motivation is the fact that we are leading the pack within the ICI portfolio”*

*(Interview 35, regional operation Manager, ph 90-96)*

The DDC mindset is not afraid of taking risks and it is through demonstration that this characteristic is said to be communicated.

“Which do you think is most evident in DDC or which actually drives you most?

*Well there's a few there. Able to deliver I think is really important and it's linked to ownership in a lot of ways, if you own something you are actually able to deliver it and the business isn't frightened of making mistakes. Making a difference I think is really important because of the satisfaction element of turning back and seeing what you've actually done and then opportunities, you know, we can see the business moving forward, growth is phenomenal at the moment in a very flat market and I think it's creating a lot of opportunities for anybody who's ambitious within the company.*

Those elements you mention, where do they come from? Is it just part of DDC culture or?

*I would say it's probably... it's subjective but I would say that the business has demonstrated to employees that, you know, if the opportunity is there for you to make a difference...*

*(Interview 35, Regional Operation Manager, ph. 128-140)*

Area F gives a different insight into the development of the driven mindset within DDC. They believe it is also affected by hiring the right employees, supporting earlier findings.

*"I think first and foremost it's the right people, it's many years ago now, but I came from outside the company and I came in as a manager whereas we've seen a lot of people promoted from within the company and I was amazed and never cease to be amazed at the level of expertise we have got in the company and I think we really do have some tremendous people in the company and the quality of people we've got is second to none. And the key to that is not just recruiting or selecting those people but to keep on motivating them and to keep on training them."*

*(Interview 33, Store Manager, ph 94-100)*

Store Managers also admit that the brand name is very important factor at store level in terms of motivating employees.

"Do you think that working for Dulux is part of it as well?

Yes

It's motivational especially at store level?

Yes

The actual brand name and the actual company?

*That's right, because we are very conscious that we are perceived to be a really, really top quality product."*

*(Interview 33, Store Manager, ph 132-152)*

Also a key driver, opportunities are important in areas F, D and E.

*"Opportunities certainly, I feel quite strongly about because I do quite a lot of interviewing for staff because I'm quite experienced. We've opened the new Greenfield stores and I've been asked would I interview for staff for the Greenfield stores and one of things I always say to people during the interview is that at the end of the day, this company really is as big as you want it to be or the opportunities are there for you to grow. The opportunities really are there if you want to take them so that really is the first and foremost."*

*(Interview 33, Store Manager, ph 132-152)*



**FC2 Feedback**

Areas A and B believe they receive enough external feedback.

“How much contact do you have with customers?

*Well personally, a lot, with our larger customers because I'm with them every week and in fairness I generally solicit feedback myself, you know by asking them what they're thinking of the nectar scheme what they're thinking of the services that we offer, the delivery, the type of... really I'm after them telling me what else we can do to improve our service to them to get more of their business”*

*(Interview 25, Sales and Innovation Manager, ph 108-114)*

Areas C and D say that they are lacking in external feedback (formal and informal) and that the majority of the information they do receive goes through store managers and is therefore filtered or can be irrelevant. Also a comment is that the pace within DDC is sometime too fast for internal informal feedback to occur, suggesting that there is a lack of time to reflect and learn.

“Is there any feedback you'd like more of?

*I would like to see a better channel for getting direct feedback from customers into head office. Once it's gone via the stores network and then back into head office it's obviously been...distorted and filtered a little bit. So it's not actually coming from the horse's mouth so it would be... I kind of miss that, from being out in the field and being a ROM, I'm quite used to getting customer feedback and it is quite removed up here so that would be a bonus to us.”*

*(Interview 32, Store Development and Innovation Manager, ph 142-144)*

“How much importance does DDC put on informal feedback?

*Again, it comes back to the viewpoint survey which suggests we don't do enough of it. There is more of it, but I think it's very much of the case because of the way they work, it's just get on with this, right next job, well done, but let's move on to the next one, move on to the next one.”*

*(Interview 28, CRM and Communication Manager, ph 117-133)*

Overall employees recognised that DDC encourages feedback and that they are getting better at it. However concerns over issues of sincerity and frequency are raised.

“How much emphasis is there within DDC on internal informal feedback?

*To be honest I think it's quite good and I also feel it's not just quite good I think it's also getting better, because we had to undergo what we call Q12 which was basically a viewpoint survey and one of the main issues there was rewarding people”*

*(Interview 33, Store Manager, ph 102-116)*

Critical feedback is seen as vital but is a difficult balance to achieve.

*“I think the biggest single issue, and it affects every business, is as a whole we need to be good at giving honest, I’d call it honest, but you can call it constructive critical feedback, I’d call it honest feedback and I think sometimes people take the easy way out rather than tell the honest truth if you like so I think we can probably be sharper at giving honest feedback because it allows us to manage people’s performance and expectations better, because, let’s face it, if somebody’s not told that, you know you’re not doing quite as well as you think you are, then there’s a shock somewhere down the line for that individual and that’s our fault, if we don’t manage that situation, so critical feedback is important if I’m honest.”*

*(Interview 34, National Operations Manager, ph 118-144)*

Although Stores are seen as very good in listening and talking to customers, centrally, DDC is seen by some as weak in terms of customer feedback.

*“In terms of external feedback, obviously you’re very close to customers, when I’ve talked to people in head office they’ve said they don’t have a great deal of contact with customers their information comes through the store managers mostly. Would that be the case?*

*That’s right, yes, yes.”*

*(Interview 33, Store Manager, ph 118-130)*

*“Personally I speak to customers on a regular basis just to learn what we’re doing right and what we’re doing wrong. As a whole I would say the business is quite bad at listening to customers and speaking to customers, at store level we’re very good at it and we do it and we’re poor at communicating that back centrally.”*

*(Interview 35, Regional Operation Manager, ph 98-124)*

#### 4.2.2c Summary of section FC findings

##### *Summary of findings: FC1 Motivational drivers*

- There is a very positive culture within DDC
- It is strengthened by being positioned against Slough/ICI
- DDC has a small business mindset: personal, informal, flexible.
- There is a drive to get things done throughout DDC: pace, speed, dynamism
- No blame culture is said to be the key to ownership, feeling valued and empowerment
- Demonstration is believed to be the best way to implement motivational drivers
- The brands of DDC and Dulux Paint are important drivers within head office and stores respectively.
- Opportunities are a key driver in lower areas
- Enjoyment of the job also increases the drive

##### *Summary of findings: FC2 Feedback*

- Areas A and B believe they receive lots of external feedback.
- Areas C and D say that they are lacking in external feedback (formal and informal) and that the majority filtered or irrelevant.
- The pace within DDC is sometime too fast for internal informal feedback to occur, suggesting that there is a lack of time to reflect and learn.
- Overall all employees recognised that DDC encourages feedback
- Critical feedback is seen as vital but is a difficult balance to achieve and issues of sincerity and frequency are raised.
- Although stores are seen as very good in listening and talking to customers, centrally DDC is seen as weak in terms of customer feedback.

#### 4.2.3 Conclusion of follow-up interview findings section

The above findings are large in both breadth and depth. In order to bring together threads of data and in order to clarify and set into context information presented here, these findings are further explored and disseminated in the following discussion chapter.



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## **Chapter five: Discussion of case study findings and development of models**

### **Introduction**

This section begins with a comparison of findings from the first and follow-up interviews for validation. Then a detailed discussion is used to draw out overall findings from the case study research. Explanatory models are developed and literature from the second literature review is introduced to highlight outcomes.

### **5.1 Comparison of findings for validity**

#### **5.1.1 Direct validation**

In the follow-up interviews, replica questions focusing on the value proposition are used in order to directly assess the validity of the two sets of interviews. Below is a comparison of findings. This research must consider that between the two sets of interviews a month has elapsed, in which time the new vision had been rolled out. In the discussion of the findings this rollout is said to influence the value proposition and develop mindsets, both of which are being examined in the following assessment. Therefore this variable must be taken into account when comparisons are made. This comparison is therefore an opportunity for any developments in the actual value proposition to be discovered and, if supported, linked to the new vision rollout. Please note that for interview timing reasons the marketing assets node (B3) in the first interviews is split across all follow-up data nodes.

*Table 5.1. Comparison of first interview and follow-up findings: B1 – FB1*

Findings from first interview:	Findings from follow-up interview
B1 What do they stand for?	FB1 What do they stand for?
<ul style="list-style-type: none"> <li>• All interviewees give a facet of the same value proposition stemming from their point of view. For example store managers:</li> <li>• Areas E and F give extremely similar viewpoints in terms of what they stand for, namely quality of service and product. This may be because they work closely together and are in frequent contact with the service and product itself.</li> <li>• Only few interviewees when asked 'what the company stands for' recognise the customer rather than the product or service. The areas which do include the customer are mainly based with head office (D,C &amp; B mostly) and not operations (areas E and F).</li> <li>• The actual value proposition from all areas appears to be quality product and service, first choice, one stop shop with added service.</li> <li>• It appears that DDC has a strongly shared mindset in terms of what it stands for in the market.</li> </ul>	<ul style="list-style-type: none"> <li>• All give a facet of the same value proposition from their perspective, for example Operational areas tend to focus more on the product whereas the commercial team tend to focus on the service levels. The higher levels tend to have a wider viewpoint.</li> <li>• The word quality is repeated by almost all interviewees. Most focus on the quality of service, but the product and stores are also mentioned.</li> <li>• In summary the data from the follow-up interviews shows that employees interviewed believe that DDC's value proposition is: quality service and products, first choice, one stop shop with expert knowledge.</li> </ul>

### Validation and developments from table 5.1

The value proposition is shared strongly throughout the mindsets of the interviewees in both sets of interviews. Their differing perspectives of what they stand for are noted in both cases as well. The customer does not appear strongly in either data. The only difference in terms of the descriptions of what they stand for is the inclusion in the follow-up data of expert knowledge. This element was very strong throughout all the follow-up interviewees and this change in mindsets may have been influenced by the vision indirectly.

*Table 5.2. Comparison of first interview and follow-up findings: B2 – FB2.*

Findings from first interview:	Findings from follow-up interview
B2 Differentiation	FB2 Differentiation
<ul style="list-style-type: none"> <li>• The Head of DDC, argues that the reason that the Dulux brand is not their primary differentiation is that it's strength allows them to focus on service.</li> <li>• The higher levels within DDC are clearer in their focus on service and the customer.</li> <li>• Area D is slightly different as it tends to focus on brand as well the operations side tends to focus on their products too.</li> <li>• The Regional Operation Managers (area E) seem to reflect their own role in the company, focusing primarily on margin even though they recognise that this comes from service and product.</li> <li>• In terms of area F (Store Managers) product quality is mentioned but customer service seems to be key differential to them. This differential seems to emanate from a culture or mindset within the stores.</li> <li>• The overall focus of interviewees when asked to describe DDC's differential is on the service in stores.</li> </ul>	<ul style="list-style-type: none"> <li>• The head of DDC agrees with other levels that service is the key difference, and also emphasises the effect of the brand.</li> <li>• Within service, knowledge of customers and products (in store particularly) is very highly regarded in the commercial team (areas C and D).</li> <li>• Operational areas (E and F) tend to emphasise the product more than other areas, though they still see service as key.</li> <li>• This view of the quality product and brand is also mentioned in most areas as well as the service. It is still therefore seen as a differentiator, but as other outlets will have these products too, it is not perceived as strong as the service.</li> <li>• The overall focus of DDC's differentiation appears to be on the service in stores. The ability to offer the complete package (knowledge, product and service) is also emphasised from all areas.</li> </ul>

### Validation and developments from table 5.2

The Head of DDC's comments on DDC's relationship with its brand and service are consistent across both interviews. In areas D the service is seen as the key differentiator even though in both interviews some individuals do mention the brand strength. As in the comparison of 'what do we stand for' above, in the follow-up interview the emphasis within the service itself is clarified as the knowledge of in store staff. This does not show inconsistency with the data but is a deeper exploration of the mindset. Operational areas in both interviews give the differentiation of DDC from their perspectives but service still comes through as the major differentiator in both cases.



Table 5.3. Comparison of first interview and follow-up findings: B3 – FB1, FB2, FB3

Findings from first interview:	Findings from follow-up interview
B3 Marketing Assets	FB1, FB2 and FB3
<ul style="list-style-type: none"><li>• All areas mention people as DDC’s key marketing asset and its source for differentiation. They tend to focus on the customer facing staff in store, but most when queried on this do mention those throughout company as well.</li><li>• Areas B and C are very people focused.</li><li>• Area D, although mostly focusing on people some again emphasise the brand and the parent company as well.</li><li>• Operations areas (E and F) have a very similar outlook. Although they tend to focus on the people, they do bring in brand/product as well.</li></ul>	<ul style="list-style-type: none"><li>• Staff are seen as key by all levels</li><li>• In particular, store staff are seen to be the major asset as they drive the differentiator of service</li><li>• Store staffs expertise, including both customer and product knowledge, is their greatest resource</li><li>• As well as the above the brands (both Dulux and DDC) is seen as crucial by levels C and below</li><li>• The larger company resources are seen as marketing asset by level B.</li></ul>

Validation and developments from table 5.3

All levels see the marketing asset of people as DDC’s key resource in both interviews. Brands and financial resources are also stressed by individuals in some areas, however it is the staff and in particular the store staff who are considered overall to be key.

Table 5.4. Comparison of first interview and follow-up findings: B4 – FB3

Findings from first interview:	Findings from follow-up interview
B4 Positioning	FB3 Positioning
<ul style="list-style-type: none"><li>• All interviewees recognise that they are positioned as a premium product and that DDC is aiming for a high quality of service.</li><li>• The service and brand both stand for quality and they are in a strong position, having ICI backing and being number one in the market.</li><li>• They also like to be seen as reliable and safe.</li><li>• In recent years, DDC’s focus has started to include more B2C customers rather than purely trade.</li><li>• Although staff are seen as a key asset, the Head of DDC believes they do have a weakness as they are good with people they have built a relationship with but are not so effective with unknown customers.</li><li>• DDC has a strongly shared mindset in terms of its positioning. The evidence points to the DDC mindset being strongly aligned with the Head of DDC’s mindset on positioning</li></ul>	<ul style="list-style-type: none"><li>• Overall, DDC want to be seen as the first choice for decorators and serious diyers.</li><li>• Many interviewees view the relationships with customers as more than merely transactional, including advice and problem solving as a key facet of the stores, not necessarily resulting in sales. This feeling of helping customers is found through the areas of the organisation.</li><li>• In terms of positioning, the service is still seen as key part of the perception from customers, as well as the range of products available.</li><li>• The head of DDC also believe that stores are so good at building relationship that this can become a problem when new customers come into the stores.</li></ul>

Validation and developments from table 5.4

All areas in both interviews reflect the positioning as premium and quality. All data suggest that they are aiming to be the first choice for their target market. The two segments targeted by DDC are highlighted in a more concerned tone in the first interviews, compared with a more positive attitude to the two in the second. This change could have been positively influenced by the new visions development of clarity and confidence in DDC mindsets. The softer positioning of being reliable and safe is continued more clearly in the follow-up interviews responses of problem solving and helping customers rather than a focus on transactions. The Head of DDC’s comments on the negative outcome of this relationship building is emphasised in both interviews, again showing the consistency of the data collected.

### **5.1.2 Indirect validation**

The careful construction of the follow-up questions has not only allowed direct validation of data as seen above, but also allowed indirect confirmation of the first interview findings. The following discussion of findings section (5.2) illustrates how follow-up interviews are used to confirm and validate findings in an indirect manner. Many key points not only use first interview nodes as evidence but also follow-up nodes, for example employees overwhelmingly mention direct processes rather than indirect methods in both findings sections A4 and FA3 and in sections FA2 the idea that the actual aim of the process is the implementation of the vision through employees utilising the values in their everyday work validates the findings in section A4.

The use of follow-up interviews also allows areas to be probed deeper whilst supporting previous findings. For example in findings section A1 it is argued that the vision is internally focused but its outcomes hope to be felt externally too and it follows that there must be a strong link between the vision and value proposition in order for their effects to be synergistic rather than antagonistic. The follow-up findings FA1, FA2 and FA4 supports this and also gives evidence that the new vision will not change what the company stands for to customers, but will make this message stronger.

### **5.1.3 Validation conclusions**

The direct validation analysis demonstrates the reliability of the data gained from both interviews. The viewpoints of participants highlighted above do not contradict any other points of data collected and therefore support its usage in this study. Another outcome is that employee's value propositions focus on positive aspects rather than negative aspects that create a long-term positive vision rather than short-term negative vision (Senge, 1990). As emphasised in the methodology, contextual variables such as environment time and interviewer bias were kept as consistent as possible through careful interview protocols. Clearly some form of participant bias may have occurred in the first or follow-up interviews, but this is something that has been highlighted, accepted and reduced to a minimum throughout the methodology of this work. Also main themes and outcomes have been analysed to allow through substantiated and shared views, whilst individual opinions are noted with caution in the findings.

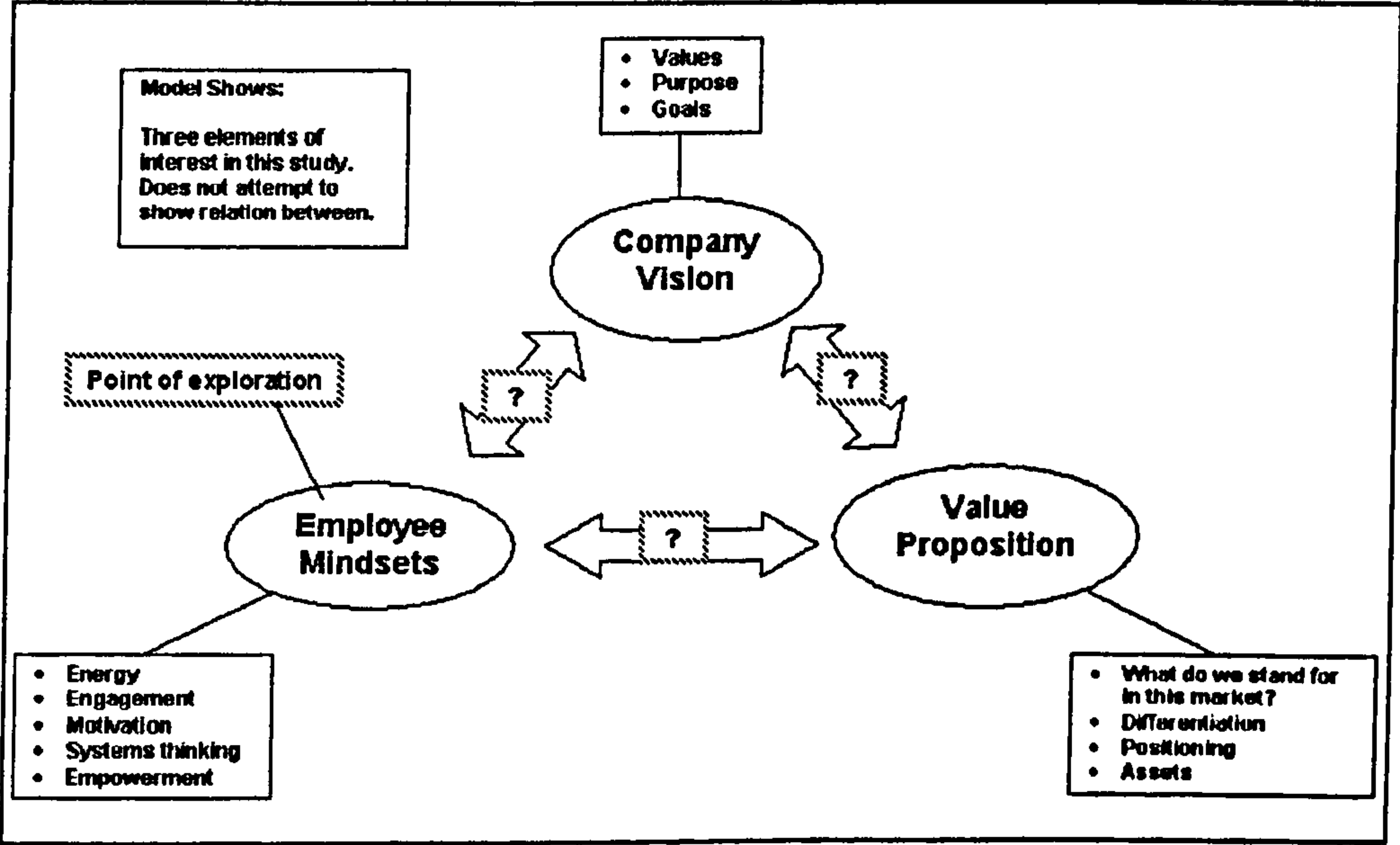


5.2 Discussion of findings

5.2.1 Introduction

Throughout this discussion of findings, diagrams and models are developed to visualise and clarify the relationships and processes of elements studied and also to highlight key outcomes of the research. These figures are conceptual and explanatory. In order to aid in the flow of this discussion, nodes from which the following points are taken are simply bracketed (see chapter 4, figs 4.2 and 4.4 or appendix B1 and B2 for nodes). This discussion also makes use of the areas of the company (A to E) defined at the start of the findings section (4.1.3). Figure 5.1 simply illustrates the key areas explored by the case study research and highlights the point of exploration.

Fig. 5.1 Key areas explored by the main stage of research



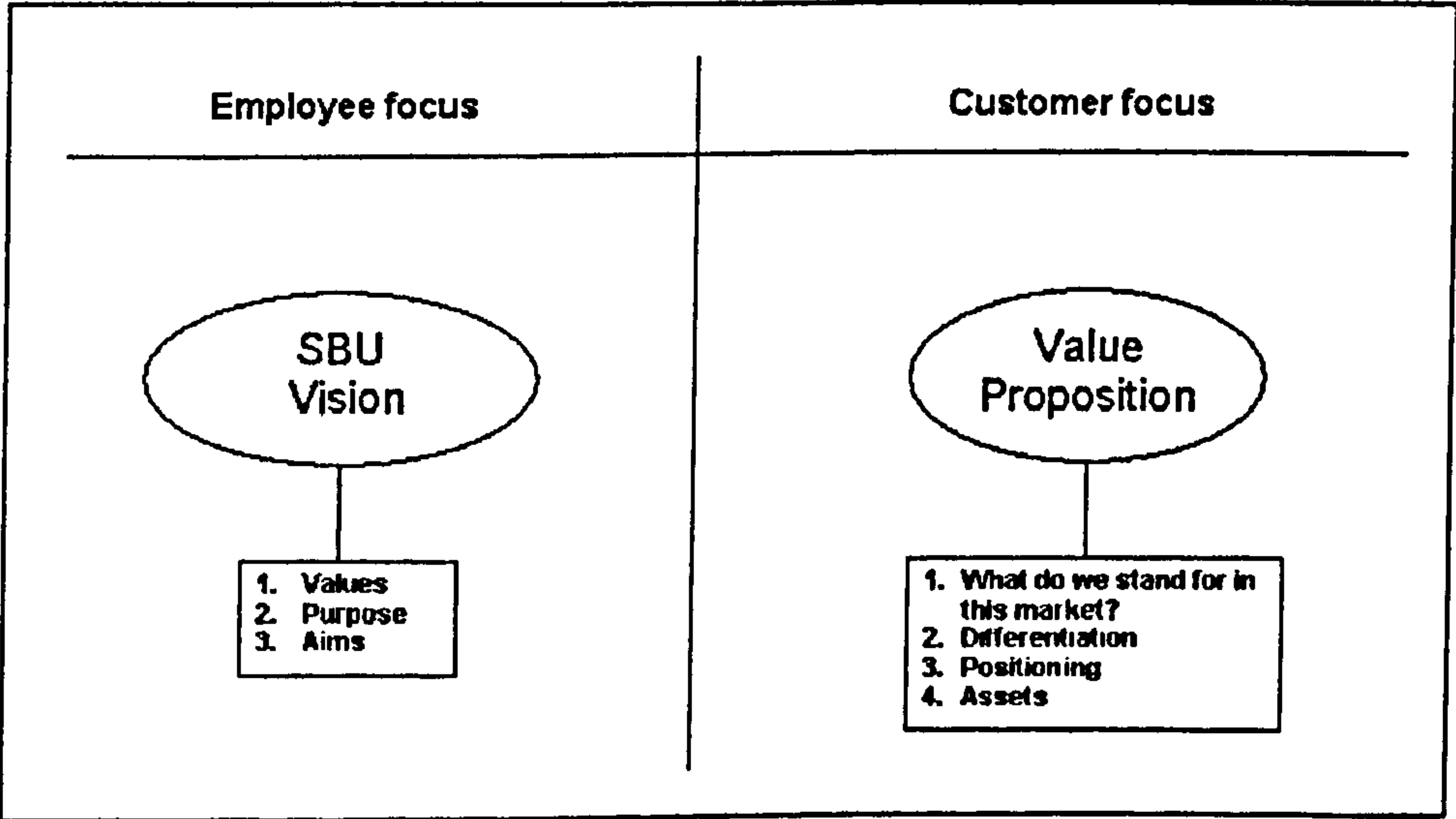
5.2.2 Relationship between the vision and value proposition.

From the findings it is clear that both the value proposition and vision impact on mindsets within DDCs. Figures 5.2 and 5.3 represent the way in which the value proposition and the DDC’s vision are related. Vision and value proposition are seen to be interwoven (A1) and have similar messages. Both contain what the company stands for; the value proposition overtly and the vision within its values but they are seen to impact differently on the company mindset. Many interviewees see the vision as bringing together the wider organisation (A1). This broader mindset suggests that

whereas systems thinking has not been formally developed within DDC before (C3), it is now being more formally developed by the vision and allows a shared feeling of responsibility to develop within the company (see fig. 5.3). People throughout all areas of DDC believe that they drive this vision forward, therefore it could be said that the vision drives them (A6). In terms of allowing people the time to reflect on work or the bigger picture, DDC’s pace and dynamism seems to have a negative impact on the development of systems thinking (C7 and FC2).

Figure 5.2 illustrates the two different utilisations of the vision and value proposition. The Head of DDC confirmed that this model was accurate in showing just one relationship between these two elements within DDC (D1).

Fig. 5.2: Utilisations of the vision and value proposition.



The vision is focused primarily on the internal processes of the organisation, even though the outcomes of these processes may affect the value proposition. The DDC values (see appendix A17 for examples of vision materials) are part of the new vision and summarise this internal focus:

- Develop our people
- Drive for results
- Delight our customers
- Deliver on our commitments
- Dare to change

If the vision is internally focused but its outcomes hope to be felt externally too it follows that there must be a strong link between the vision and value proposition in order for their effects to be synergistic rather than antagonistic (A1). In fact follow-up data gives evidence that the new vision will not change what the company stands for to customers, but will make this message stronger (FA1, FA2 and FA4). In other words the new vision strengthens the value proposition through implementers mindsets. Areas E and F strongly share the view that the clarity the new vision brings to employee mindsets will impact positively on the customer experience (FA1). This close relationship is also reflected in the way in which both the vision and value proposition affect the mindset. The value proposition was said to give the company a 'vision' before the new vision was actually rolled out. Many participants suggest that they knew where they were heading even though it wasn't entirely laid out for them (A1 and FA4). This implicit understanding of DDC appears to come through informal communications and therefore the culture of the organisation (A3) as the new vision was not yet communicated. This view is also supported by sections A1 and A7, which show that many people believed that DDC was living most of these values already and that they were implicit in the way in which DDC worked and communicated informally. Therefore the question is: what does this vision bring DDC? Instead of developing a totally new mindset it appears to merely further develop the strong culture already present, turning implicit communications into explicit and formalised (FA4).

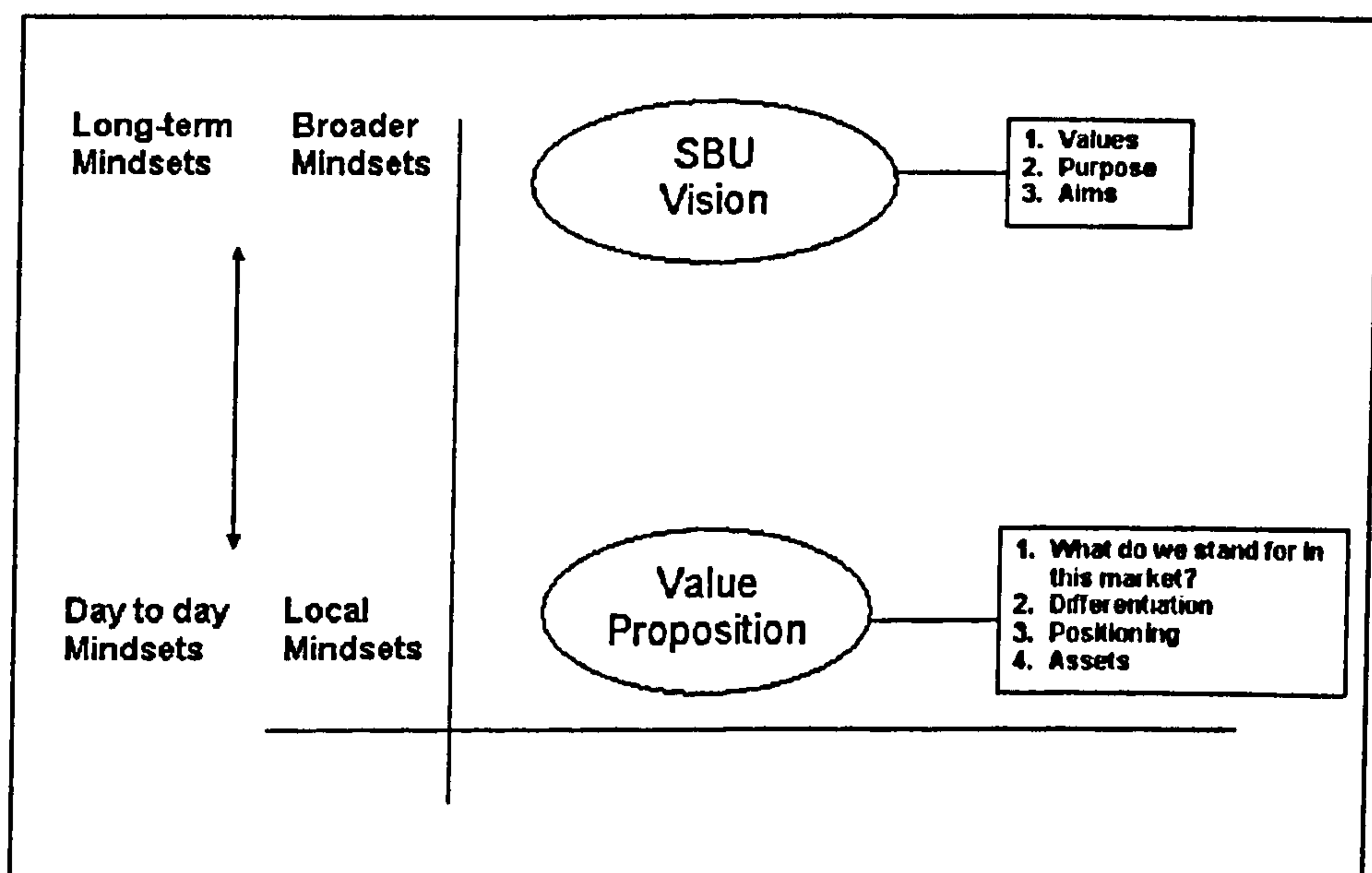
The above assumptions are examined in the follow-up interviews. The formal nature of the new vision is seen as key as many argue that it gives a structure or backbone on which employees can build (FA1 and FA4). Although top level management (areas A and B) believe that the vision will have little impact on DDC itself, for lower levels it gives them clarity and focus in their work and will help the value proposition to be carried out. This reflects business culture in that top-level management will normally have a better view of the company and long term goals anyway, meaning less impact from the new vision for them (FA1).

As noted earlier, figure 5.3 shows how a greater long-term perspective has been added to DDC mindsets through the new vision, something that is supported in findings A6



and FA4. Also it is found (A2) that most long term plans below area B were unknown or very general. Management say that the vision allows them to show the future direction of DDC without ‘giving the game away’ (D1). In other words the vision can replace the need for sensitive long-term strategic plans to be communicated to employees in order to give the company a sense of direction. A lack of long-term view could have negatively affected the mindsets of individuals within the organisation. This is supported by Morrison and Rosenthal (1997) who found that “shared visions give a real sense of purpose, they promote focus and long-term commitment to organisational effectiveness and survival”. Many employees had confidence in the future of DDC, but lacked any formal construct to confirm their views (FA2). The new vision is being used in order to rectify this (A2). This communication of long-term viewpoint is seen as a critical step forward by levels B and A in developing a strong DDC mindset (A6). This finding is supported by the organisational learning theory. Senge (1990) argued that “vision establishes an overarching goal”, yet did not include the value proposition as a way of establishing a day-to-day focus as found in this study.

*Fig. 5.3: Effects of the new vision and value proposition on mindsets*



In summary the new vision affects employee’s mindsets, giving an emphasis and clarity of the company’s long-term goals whilst also developing a formalised structure. It is argued above that mindsets within areas A and B already have this longer/clearer view of the organisation and therefore it can be reasoned that the impact of the vision on the

value proposition will be greatest at its point of implementation rather than planning (FA1). This confirms assumptions made in the literature review (section 2.2.10) that the further away, in terms of filter and chains of communication, individuals are from the company vision the less impact it could have on them. Interestingly the senior management use incremental steps or stages to plan ahead (A2). This seems to suggest that flexibility and scenario planning are a part of the DDC's mindset, something that Senge (1990) believes is a crucial process for learning.

Alloza et al's (1994) work argues that the strategic vision is the value proposition that is offered to both internal and external audiences. However the findings of this research supports the idea that although the value proposition is delivered to both audiences, the vision only affects external consumers through its effect on employee mindsets and their implementation of marketing strategy. This difference is crucial, as it requires that the vision, although focusing on both internal and external audiences in its message, should be tailored to have effective impact on employee mindsets.

### **5.2.3 Communication and implementation of the vision**

The vision has been communicated well throughout DDC (A1 and FA3) however this is not the goal of the vision (FA4). The actual aim of the process is the implementation of the vision through employees utilising the values in their everyday work (A4 and FA2). This reflects Senge's (1990) view that mental models are not the actual problem, but merely part of the process. From an organisational learning perspective it is engagement with the vision that is wanted (Senge, 1990). Ballatyne's (1994, as cited by Palmer et al, 2005) work confirms the importance of engagement in the mindsets of employees, describing "lost clusters" of employees with no drive for the company's goals or aims.

It was found (A4) that not only are communications of the vision formal or informal, they are both direct and indirect. The formal processes allow more control from DDC management whereas informal methods rely on the mindset of individual employees to communicate, which could result in filtering or bias (see figure 5.6). Direct methods attempt to target the employee's cognitive processes, whilst indirect methods attempt to communicate the vision through behaviour. This is supported as, apart from areas A and B, employees overwhelmingly mention direct processes rather than indirect methods

(A4 and FA3). The formal indirect method of linking values to objectives aids the implementation of the vision, which will take longer than merely its communication as it is moving from awareness to a deeper change in behaviour. Figure 5.4 highlights this process of communication of the vision within DDC and gives examples.

*Fig. 5.4 Communication of vision: methods*

<b>Communication of vision: methods</b>		
	<b>Direct (cognitive) (Tell)</b>	<b>Indirect (behavioural) (Show)</b>
<b>Formal</b> (Standardised & controlled)	<ul style="list-style-type: none"> <li>• Meetings: Down chain and bypassing</li> <li>• Conference</li> <li>• Newsletters, Posters, Handbooks</li> <li>• Presentations</li> </ul>	<ul style="list-style-type: none"> <li>• Performance reviews</li> <li>• Objectives linked in Values</li> <li>• Awards</li> <li>• Linking back work to SDs</li> </ul>
<b>Informal</b>	<ul style="list-style-type: none"> <li>• Day to day discussion</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstration</li> <li>• Leading by example</li> <li>• Keeping promises</li> </ul>

The new vision was initially rolled out through highly direct and formal communications such as the annual conference in order to create high clarity and penetration of message (FA3, see appendix A17 for examples of communication materials). Informal and direct discussion of the vision have then been encouraged which, through its high frequency, maintains the importance of the vision within the employees mindset and creates confidence in the message (FA3). Indirect and formal methods are more long term and try to create more behavioural development in the way that employees work. The linkages between values and objectives give them relevance in the everyday workplace (FA4) and also show an expectation of the company for the



employee to embrace the vision and its values. The final area of the vision’s communication is that of implementation itself. Through ‘living’ the vision themselves, management hope to transfer this behaviour through all levels, e.g. areas A to B concur that they are trying to communicate the vision in everything they do (A5). The outcome of this long-term process means that employees will be implementing the vision through being in contact with other employee’s implementation behaviour. This inclusion of behavioural communication is supported in the organisational learning field by Platts and Yeung (2000). Their call for focus on tacit knowledge is realised in figures 5.4 and 5.5. Fig. 5.4 was shown to all interviewees in the follow-up interviews. All responded positively to its use and comments supported the above findings for each of the methods (FA3) and also supported the idea of moving from cognitive to behaviour, one person commenting that it is moving from ‘tell to show’ (FA3). Figure 5.5 below highlights the main outcomes of each method of communicating the vision.

*Fig. 5.5: Communication of vision: outcome of methods*

Mindset communication: outcome of methods		
	Direct (cognitive) (Tell)	Indirect (behavioural) (Show)
Formal (Standardised & controlled)	Clarity and penetration	Relevance and expectations
Informal	Maintenance of Importance through frequency	Implementation through implementation

Palmer et al’s (2005) work emphasises that “customer service faces a number of problems of implementation, such as the functional separation of marketing from logistics” a problem also highlighted in the organisational learning literature (Schein, 1996). Within DDC it is the operations area that delivers the value proposition to the

customer, even though the commercial department plans its implementation. On the operations side of the organisation, as shop staff (area F) are distributed around the country and therefore quite isolated from the day-to-day discussion and demonstration within Head Office, ROMs and store managers have a high responsibility in terms of informal communication (A7). However other processes have been put into place in order to overcome potential filterers and gatekeepers such as store managers meetings at head office (B5), a flat communications hierarchy (C7) and open culture (B4, B5 and C7). Within DDC the two traditionally weaker pockets for vision implementation are seen as functional areas and below store manager (A7). As work by Masiello (1988) illustrates, functional areas may not have the same marketing driven mindsets and systems thinking perspectives as other areas and therefore this will affect their implementation. The new vision encompasses these functional areas by communicating the vision via formal ways as well as informally. The previously found close link between the value proposition and the company vision means that even though functional areas have little contact with the value proposition, through their engagement with the vision, the same values are still implemented. Formal methods such as links to objectives will increase the relevance of the vision to all employees' work. Within any organisation there will be individuals who will not be engaged with the vision (see fig. 5.6). Therefore personal motivation can be seen as a key part of implementing the vision (A7). These practical methods could help to overcome Palmer et al's (2005) fears of functional separation by creating shared mindsets so that implementation occurs in the way it is planned even though by different areas of the organisation.

#### **5.2.4 The value proposition and mindsets**

One of the key areas of research is the shared nature of the value proposition and its impact on mindsets. All interviewees give facets of the same value proposition stemming from their point of view. Areas that closely work together such as C and D, and E and F have more similar mindsets in terms of the value proposition (B1). The interviewees, from the store to the Head of DDC and even before the new vision was rolled out, were confident in their understanding of the value proposition and spoke with pride about their differences, marketing assets and what they stood for in the market. This strong recognition highlights the importance of the value proposition, not only as critical tool within the external market but also as a key factor in creating

valuable marketing mindsets within an organisation. These assets of shared focus, clarity and drive within DDC, (a shared or company mindset) allow greater systems thinking and drive employees forward, which is said to be a major part of DDC's success (D1). The shared value proposition therefore gives DDC a strongly shared mindset and allows implementation of marketing strategy to be carried out in an effective manner. Websters (1994) view that "the value proposition should be the firm's single most important organising principle" is supported by the above findings through its tacit effect throughout DDC's workforce, both marketing and operational. This supports Alloza et al's (2004) finding that the value proposition needs to be something to aspire to, and this study adds to this by illustrating how this drive is implemented.

The most recognised market asset within DDC is said to be staff, in particular in its stores (B3) and its main differentiation was said to be its service (B2). The recognition of the value of staff is a key driver of effective implementation (Stewart, 1998) something which the DDC mindset acknowledges. This study highlights that mindsets within this case-study have a very direct impact on the implementation of the value proposition as it is people from which it is delivered. This supports Piercy's (1994) argument that satisfaction of external customer depend in part on the satisfaction of the internal customer" and Peters and Waterman's (1982) early work that in successful companies employees should be its key asset. Steiner's (1998) findings that mental models are not shared between management and employees in the organisation are not apparent in DDC. This could be a result of the clear communication and flat hierarchy within DDC and also the relative lack of bureaucracy. Also the shared value proposition and vision are so powerful in DDC that this may overcome any hierarchical or functional barriers.

Issues with changing target audiences have been overcome by DDC through the strength of value proposition communication (B5). The change in focus onto consumers was an issue that has been resolved through the use of clear communications of long-term implications and reiteration of the strong value proposition at DDC's core (B4). This clear communication allows DDC to overcome many problems associated with barriers to implementation such as denial of implementation problems and hopeless optimism (Piercy, 2002). This clearly shows the how the value proposition, i.e. what



they stand for in the market, is important to employees mindsets and has such an impact on mindsets that any areas of doubt or change with the value proposition need to be carefully controlled and communicated to avoid fragmentation of its strength.

These findings mean that Walters (1999) view of the value proposition being merely a “statement of how superior value is created” is too simple and abstract for organisations. Rather it is an internal driver of marketing mindsets that allows marketing strategy to be implemented effectively, supporting Webster’s (1994) view that “internally is focuses everyone’s attention on customer requirements” but going further than this definition through clarifying mindsets as well as focusing them.

#### **5.2.5 Subsidiary and the wider organisation**

Throughout the findings (A3, A8, B4, C2, C4, C5 and C7) the wider organisation is apparent in the mindsets of employees of DDC. Most position DDC positively against the backdrop of ICI with all employees reflecting that DDC has a very different culture. A slower pace is highlighted and other barriers to work such as friction and frustration are seen throughout all levels of DDC, therefore it appears that the identity of DDC is very strong when positioned against ICI. In the main, interviewees believe that DDC are much faster paced and embrace change better (A8, C4). The issues of control over pricing and decision-making are also raised as points of friction. It seems that the autonomy within DDC is in contrast to a restriction of freedom from ICI that demotivates employees within DDC (C5). The new vision could be being used in order to bring them together in mindsets and focus and the data does show that DDC’s relationship and systems thinking in terms of its parent company is slowly changing for the better (A8). This is supported by data from the follow-up interviews. Employees believe that the new vision rollout will affect impact more on the wider business mindset and bring it into greater alignment with DDC’s mindset (FA2 and FA4). Perrey et al’s (2004) view that the value proposition should be “a summation of the propositions from the contributing business areas” can be developed further by this research. Within ICI it is the marketing mindset of DDC, in part created by the tacit value proposition, that has been used as the template for the vision of the company. Therefore it can be argued that rather than the value proposition being a summation of all areas of the business, it is the outcome of mindsets created by this value proposition that need to be shared. Piercy’s (2002) view that the marketing mission should relate to

corporate goals yet frequently doesn't, is not reflected in DDC. The value proposition and new vision share the common bonds of a people focus and a strive to do best. Therefore the company vision and value proposition are being increasingly aligned in direction, strengthening mindsets throughout the overall organisation but this may, as a result, actually weaken DDC's shared mindset. A balance must therefore be made between a subsidiary's and the wider organisation's mindsets ensuring both are utilised synergistically.

#### **5.2.6 Shared mindsets within DDC**

Previous work on marketing channels (Walters, 1979; Buzzell and Ortmeyer, 1995; Sigauw et al, 1998; Dyer et al, 1998) highlights that development of understanding and information flow between channel members, in particular creating a shared marketing orientation, increases their effectiveness. Within DDC this alignment of mindsets can be seen throughout all areas, overcoming hierarchical levels and functional boundaries.

Slater and Narver (1995) found that marketing areas within firms are "well positioned to appreciate the benefits of market-driven learning and be the lead advocate of the market oriented, entrepreneurial values that constitute the culture of the learning organization". This is found to be the case within DDC. The commercial team (areas C and D) is seen as the area in which the vision is at its clearest which is supported by their interviews (A7). There also appears to be a strong link between the commercial team's and DDC's mindset (C4). However this can also produce friction with areas not so aligned with the company. Area D hints that other areas of organisation have different ways of working, especially in terms of pace and engagement. The effect of this is to de-motivate members of level D (C2). Different groupings of mindsets or 'clusters' were found by Hofstede (1998) yet the areas found appear to reflect DDC 's mindset but merely to different degrees.

Piercy's (2002) view that "if you do not win the commitment and support of your employees for what you are trying to do your customers may pay a high price" is something that is taken on by the Head of DDC. Allowing people to care about their jobs and their work is created through empowerment. The Head of DDC gives a clear explanation of the way in which the strong DDC mindset was developed supporting



work by Pascale, Millman and Gioja, (1997, as cited by Piercy, 2002) on revitalising companies through challenging employees. Schein (1999) found many problems in adapting mindset within firms, and the Head of DDC accepts it is a difficult and long process. Firstly he discusses motivational drivers and how leading by example and demonstration encourages others to think the same way. The fact that the target mindset of the Head of DDC is already apparent within DDC (C7) gives evidence that the Head of DDC's mindset has to some degree permeated throughout the company. The focus on role models and behavioural communication of the mindset slowly filters through DDC as the Head of DDC admits it took a long time for mindsets to change. This also shows that the methods used to communicate the mindset are similar to the vision's communication, meaning that figure 5.4 could be used to explore the way in which mindsets within an organisation are being created. The Head of DDC and store managers also emphasise that employees have to have the right mindset in order to fit in with DDC (D1 and FC1) and that skills and expertise are not everything that they look for in new employees. This positive recruitment of mindsets maintains the strongly shared mindset within DDC but avoids limiting new ideas, creativity or change as it is based not on personalities or skills but a willingness to become part of the DDC culture.

The commercial team's mindset appears to have the following characteristics (C4):

- wanting to drive business,
- future/forward looking,
- better view of where headed.
- more outward looking
- positive
- embrace change

Also they seem to have much more interaction with other departments, as most information and strategy goes through them in some form in any direction. Interviewees give no real negative characteristics of mindsets, however, although areas C and D are seen to be closer to the vision and value proposition in terms of mindset they also appear to be furthest away from the customers (C3). D is actually quite store focused, whereas C, B and A view the customer more. This suggests that the top and bottom of the company (areas A, B and E, F) have more customer contact and the people who develop the implementation the strategy do not, which could be an area of concern for



the company. As the mindsets of areas C and D were said to be closest to the implicit vision already, they may be affected least by the new vision rollout whereas areas with less understanding of this element will be more affected by the explicit rollout (FA2 and FA4).

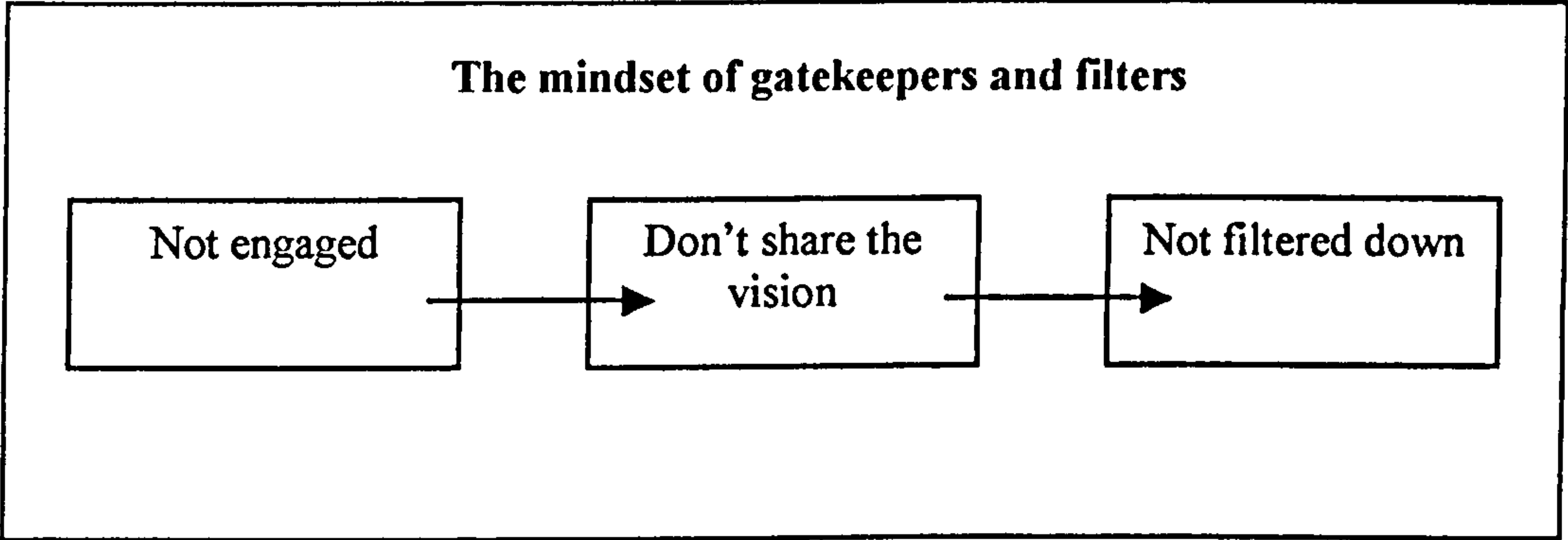
Answers to the car and animal projection question highlight again the shared nature of the mindsets within DDC. Although different terminology was used to describe the objects, the same perceptions come through the data. These tend to represent the DDC brand, the company's place in market and internal dynamics. All these are positively perceived (A8).

A key aim of DDC is to achieve a standard level of service nationwide rather than a standardised service. Stores need to have the freedom within that framework to deliver a personal service as well (B5), which is seen as their key differentiator (B2). In order to obtain this areas A and B believe that it is the mindsets within stores that need to be consistent as well as processes (C5). As they work separately, store managers have less contact with other such managers and as a result may not have a shared mindset that reflects DDCs. Marketing mindsets can be seen as an important factor in the consistency of service offerings if the value proposition of an organisation is dependent on service, as its consistency will be dependent on the way in which people implement marketing strategy plans (B6).

A number of processes have been put in place within DDC over the past three years that have already increased shared mindsets (B5). Store manager meetings at head office, 'back to floor' sessions for those in head office, more emphasis on face to face contact and the mindset of breaking down departmental barriers have created a company with less internal divisions and therefore a greater understanding of other departments roles within the business which in turn reduces politics and increases efficiency within DDC (C3 and C4). This reduced distance between areas within DDC also creates closer ties with consumers (D1). Figure 5.6 below illustrates the effect that filters and gatekeepers can have within the communication network if their mindsets are not engaged and emphasise the need for alternative lines of communication. This is supported by opinions that the mindsets of superiors are important in terms of the vision's impact on

team members (FA2). Garret’s (2000) energy versus understanding model of the mindset influence on implementation can be brought in to support the how important not just awareness of the vision and value proposition is but it is the engagement of mindsets which is key. As discussed next, mindset drivers play a crucial role in this process.

*Fig. 5.6: The mindset of gatekeepers and filters*



**5.2.7 Mindset drivers**

Throughout the findings from all areas of DDC the overwhelming theme is that DDC employees are very driven. This appears to be the case both from a personal viewpoint (C1) and an organisation viewpoint (C2). Employees want to learn, gain experience and have pride in their work. Many employees mention that the car that ‘DDC would be’ (A8) could be improved in some way and when asked is DDC completely successful, not one interviewee believed that this was the case as there was always room for improvement (B1). The Head of DDC also is very driven and wants more change and to accelerate the way employees work even more (B6). This illustrates that not only that DDC employees have a strong drive to improve, but also again that there is a strongly shared mindset within DDC. Morrison and Rosenthal (1997) argue that this is because of mental models that “relate to people’s perceptions of what can or cannot be done”. Clearly DDC does not have a “disempowering mindset”.

Within DDC there is high enthusiasm and energy for the company’s aims throughout the organisation and this in turn is reflected in positive mindsets of employees (C2). This supports Senge’s (1990) view that shared vision is a “common caring” or a “force in people’s hearts” and that it “provides the focus and energy for learning” which helps

to create the attributes of commitment and engagement within the mindsets of this study. As these aims have now been clarified for many employees through the new vision rollout, it can be argued that the new vision increases the impact of these drivers within mindsets (FA4). On Senge's (1990) six levels of attitude towards vision, from commitment to apathy, overwhelming employees display attitudes within the top three. The Head of DDC appears to fulfil all three criteria (Senge, 1990) for the development of commitment. The Head of DDC believes in what he does (FB3), wants open and honest communications (B4, B5 and C7) and lets the other person choose by using demonstration as the main way of adapting and reinforcing mindsets (A5).

The culture of DDC appears to make people strive to do better and it seems to be communicated in the indirect or 'follow me' method of demonstration (C2) something which areas A and B say is vital (FC1) and supports Senge's (1990) view that a "will you follow me?" strategy is most effective at creating a shared vision. The feeling of a smaller company (FC1) and within that a belief in personally owning your work, is seen as a key part of the drive within DDC (FC1). The internal dynamism such as people moving jobs, new roles being created and new employees is a factor that is remarked upon as something which creates a great deal of energy within DDC (C2). At lower levels within the organisation, opportunities are seen as important and also the Dulux brand is seen as a key driver for store staff (FC1).

The following 'mindset drivers' are given by DDC employees (C2):

- Internal dynamism
- Ownership
- Feeling valued
- Recognition
- Empowerment
- Making a difference
- Opportunities (within and outside DDC)
- Rate of change
- Seeing results
- Able to deliver
- No blame culture



- Feedback from people (both informal/formal) and processes (reviews and bonuses)
- DDC Brand, product and culture.
- Demonstration by people in Areas B and A (C7)

All of these drivers help to produce the attributes of engagement, energy, motivation and systems thinking within mindsets of DDC employees and therefore influence how they implement marketing strategy. Not only this, but also this study recognises that these drivers will also influence the mindsets of those who create these marketing plans and thus the plans themselves. All motivational drivers and attributes are included in model 4, figure 6.5. In terms of empowerment, the Head of DDC highlights that it is his role to take on the responsibility it brings (C5) allowing people to do their jobs, supporting Slater and Narver's (1994)'s conclusion that "a business's opportunities for success will be maximized when all organizational members recognize that they can contribute to creating buyer value and are motivated and empowered to do so" and also supporting Senge's (1990) view that employees must be allowed to create their own personal visions. Many others of these characteristics have also been noted in previous studies such as Coles (2003) emphasis on face-to-face communication and empowering employees. However this list recognises that a company drives its employees not only through its culture but its value proposition (DDC brand), communication (feedback) and the behaviour of senior management (demonstration).

In summary, DDC appears to have all of Senge's (1990) requirements for shared vision growth. The clarity of the messages (the 5Ds), the flat, open and honest communication structure, and an enthusiasm and commitment for the organisation's goals are all present within the company, validating its use as a positive case-study and illustrating theory with practical application. This also meant that Senge's (1990) barriers to shared vision such as loss of connection and diversity of views have been overcome through managerial methods discussed in this findings.

Figure 5.7 below is developed from the first interview findings on feedback (C5) and is validated in the follow-up interviews (FC2).

Fig. 5.7: Feedback types

Feedback types			
	Internal (employees)	External (customers)	
Formal	<ul style="list-style-type: none"><li>• Performance Reviews</li><li>• Targets</li><li>• Objectives</li></ul>	<ul style="list-style-type: none"><li>• Figures</li><li>• Sales</li><li>• Responses</li><li>• Revenue</li><li>• Costs</li></ul>	General
Informal	<ul style="list-style-type: none"><li>• "Pat on the back"</li><li>• "Good job"</li><li>• "Many thanks"</li><li>• "Next time would this be better"</li><li>• "That didn't work very well"</li></ul>	<ul style="list-style-type: none"><li>• Face to face</li><li>• Phone</li><li>• Email</li></ul>	Individual

The key areas for concern within DDC are informal internal feedback and external individual feedback. Both of these areas are acknowledged as weaker within DDC (C6). Also the balance between sincerity, frequency and honesty is seen as a concern by higher areas within DDC (FC2). The recent emphasis on feedback within DDC (C6) is partly due to its crucial role in the development of mindset drivers. Elements such as feeling valued, recognition and seeing results are closely linked to being able to communicate feedback effectively. Informal feedback relies a great deal on individuals rather than processes and is therefore harder to standardise and make consistent. A change of mindset is needed within this area in DDC in order to maximise its impact on motivational attributes within employee’s mindsets (see model 4, fig. 6.5). Although areas A and B believe they get a great deal of external informal feedback, areas C and D do not (FC2). This supports earlier findings of the lack of contact with customers at these levels and compared to stores, head office is seen as weak in terms of customer feedback (FC2).

### **5.2.8 The culture of DDC**

The main way of communicating within DDC appears to be informal (A4). Although informal communication occurs throughout DDC, it still remains professional. Simply put there is no real communication hierarchy (C7) which gives DDC a relaxed atmosphere as well as other advantages such as flexibility (of a smaller company, FC1) and honesty. Throughout all areas of the company, issues with retail focus and pricing are discussed, suggesting that there is open and honest communication throughout the organisation (B4, B5 and C7). Nearly all interviewees feel they are encouraged to question norms and challenge assumptions and also believe that superiors actually value and take on board their opinions. This culture allows mindset drivers to develop within DDC. Motivations, such as a no blame culture and feeling valued, are partly created through open and honest communications (C5). The strength of DDC's mindsets and this form of communication reflects Senge's (1990) view that mental model development requires an "organisational commitment to the truth". Also the new vision has created an even more positive atmosphere through the company since rollout (FA4), supporting findings that it can strengthen mindsets. The culture of not being afraid to take risks is also seen as a characteristic of DDC and links back to the no blame culture and the Head of DDC's emphasis on empowering staff. A feeling of helping customers is also prevalent throughout DDC (FB3). This deeper relationship of working with customers is seen as a key goal for DDC by the Head of DDC (FB3). Dobni et al (2002) emphasise that marketing strategy implementation can fail due to organisational boundaries and poor communications. DDC appear to have focused on these two elements in order to increase their implementation effectiveness.

### **5.2.9 Impact of the vision**

In terms of what the vision means to DDC, the Head of DDC believes that a retrospective viewpoint is crucial. He defines it in practical terms as what the company was good at when it was successful and also highlights that the vision must not be fragmented in its vision even if it is implemented in differing ways throughout the company through its values (D1). Simply put, the vision is seen as the aim of DDC whereas the values are how the employees can get the company to achieve that aim and are the link to the value proposition.



Many employees comment that the vision will directly affect their view of the company and the way that they do their job (FA4). Indirectly it could impact on their enjoyment and motivation. This supports above findings that the vision will affect mindsets and therefore implementation within everyday work.

#### **5.2.10 The relationship between mindsets and vision**

The Head of DDC (D1) believes that the mindsets are the “day to day building blocks for the long term vision”. This also reflects the relationship seen between the vision and the value proposition (see fig. 5.3) and supports this study’s assumptions that the value proposition is a key day-to-day driving force of mindsets in terms of how marketing plans are both developed and implemented. This adds to the work of Gratten and Ghoshal (2005) who argue, “organisational processes integrate the goals of the business into employee’s day to day activities via routines”. As well as the vision, the value proposition is therefore a tool that can be used by managers to develop organisational values in employee’s mindsets. The key role of the value proposition with both vision and mindsets is also confirmed by the Head of DDC when he argues that even with the vision and values in place, without the belief in the value proposition that DDC has developed, they won’t have any impact (D1). This suggests that these three elements are reliant on each other and have a synergistic quality for a firm that implements them effectively. Whereas Coles (2003) believes that there are three strategic drivers of “our offering, our organisational direction and our competitive advantage”, this study could argue these are encapsulated more efficiently as the vision and value proposition.

Also the vision is said to allow employees to stand back and reflect on their work (FA2 and FA4) and see it within the context of the wider business aims, this is especially true of the formal indirect methods e.g. linking values to objectives. This strengthens points made earlier that the new vision helps to develop systems thinking within employees. This is also supported by findings that area C views the new vision as a feedback mechanism (FA4). The clarity of the vision’s values appears to give more employee engagement to the achievements looked for within DDC and touches on the ability for the vision to allow reflection, something which Senge (1990) believes is an important “learning skill”.

### 5.2.11 Implementation of marketing strategy

Piercy (2002) writes, “quite simply, we need better ways of integrating strategy and implementation”. This study highlights the key role that marketing mindsets play within DDC in the gap between strategic planning and implementation. Although implementation can occur with fragmented and unenergetic mindsets, its effectiveness will be reduced in particular when people deliver that value. Throughout the interviews, participants from all areas have emphasised the need to not just discuss the vision or value proposition but to have them implemented, something that McEarhern (1998) found to be lacking with many senior executives. Management within DDC therefore has an understanding of the outcomes of work by many authors such as Wright (1993), Mintzberg (1994) and Dobni et al (2002) that many firms have difficulty in converting plans into action. DDC is very proactive in getting things done, a crucial driver in terms of mindsets. The Head of DDC believes that the way in which implementation is carried out is the single biggest reason for the success of DDC in recent years (D1). Piercy and Lane (1996) emphasise the need for “practical operational tools for managers to work on such issues [planning and implementation] in real companies”. This shows how important this research is in identifying the drivers behind implementation and recognising the part that the value proposition, vision and mindset have to play in this real-life context process.

The next section summarises this discussion using the case study research objectives for structure.

### **5.3 Summary of discussion and outcomes from the study with relevance to the aims of the study.**

#### **Overall research aim:**

The exploration of the relationships and processes between the implementation of the value proposition, company vision and marketing mindsets.

Model 7 (fig. 6.8) illustrates an understanding of the relationship between the value proposition, the vision and marketing mindsets. It is not proposed that this model is complete and exhaustive, but can be used to highlight the critical part these elements play.

#### **Objective 1a. The company vision**

Exploring the impact of the company vision upon marketing strategy implementation.

The vision has a great deal of influence in creating a positive mindset for implementation and development of marketing strategy. Its effects are felt greatest in those areas that are furthest from the areas in the firm through which the value proposition flows. However even in these areas mindsets are influenced positively. The vision creates a broader and more long-term focus and develops confidence in the mindsets of employees, impacting on mindset drivers that create stronger attributes of engagement and energy, which emanates in more effective implementation. An explicit and formally communicated vision reinforces and strengthens the more implicit and informal communication of the value proposition and the two become a powerful influence on marketing mindsets and therefore the implementation of marketing strategy.

#### **Objective 1.b The value proposition**

Exploration of how the actual value proposition is developed and its influence on the implementation of marketing plans.

The decided value proposition must be communicated to employees and taken on by them. Thus it becomes the actual value proposition which is then implemented. Clearly good marketing plans are essential for any business, but often overlooked is the way in which they are developed and implemented at lower levels within organisations. This



depends on marketing mindsets, which are in turn influenced by the value proposition itself. This double role of the value proposition means that not only is its design and external communication crucial, its communication and implementation within an organisation can be critical factors in the success of the marketing strategy.

**Objective 1.c Marketing mindsets**

Studying the role of mental models in interpreting and implementing marketing strategy.

The distillation of the vision, the value proposition and both personal and company drivers within employees creates a mindset with which they will plan and implement marketing strategy. The value of this key element of marketing is often placed behind more formal processes of strategy but the above findings highlight the importance of this area to firms.

## **Chapter six: Reflections on the research**

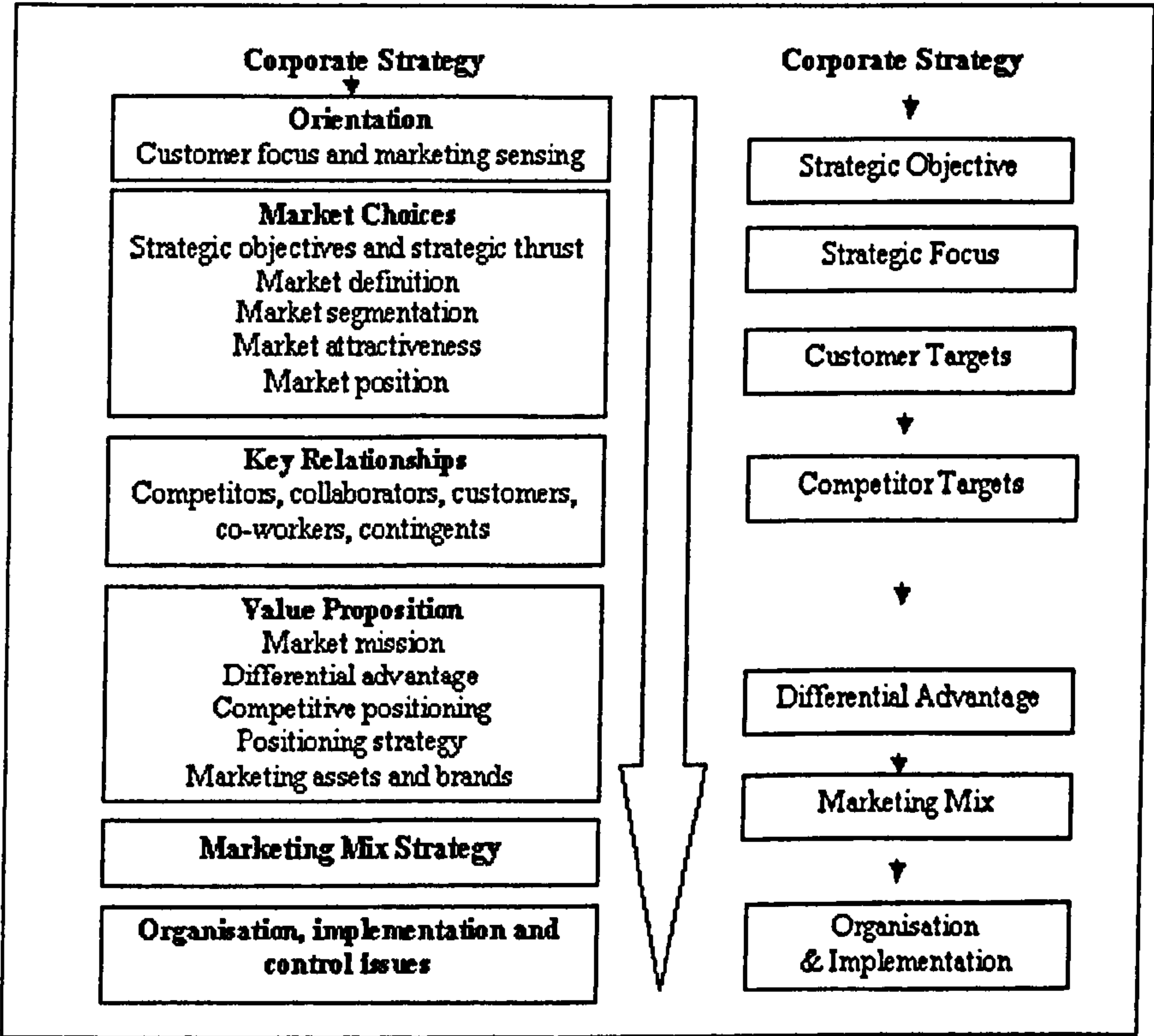
From the previous chapter's discussion of findings, this chapter brings together all elements of this study to gain insight into the overall research outcomes. This stage is organised around the development of the research, starting with marketing strategy, implementation and MNC work before focusing on the value proposition, marketing mindsets and the company vision. In key areas as well as at the end of both the reflection on marketing strategy and mindsets, explanatory models are conceptualised in order to highlight key findings and the development of research.

The strengths of the theory such as Piercy (2002) strategic pathway are utilised and do underpin the work, but this study has aided in filling key gaps by making original contributions to the field, bringing together disparate theory to produce an up-to-date piece of research and informing the marketing strategy literature.

### **6.1 Marketing strategy reflections**

As highlighted in the first part of the literature review, over the past 40 years much research has been carried out on marketing strategy by many academics. Global and international marketing strategy texts such as Jeannet and Hennessey, (2004) Hollensen, (2004) and Cateora and Graham, (2005) emphasize the more tangible aspects of marketing strategy such as entry strategies, selection of markets and advocating marketing programs. However within MNCs these decisions are made at international level and suggest penetrating new markets rather than competing where competition, products and customers continue to evolve in developed markets. A national subsidiary of an MNC is more likely to utilise 'domestic' marketing strategy to enhance its position in the market place, such as Piercy's (2002) strategic pathway. This model is placed alongside Doyle's et al's (1988) marketing strategy framework in the literature review and the development of strategy is emphasised through comparisons between the two.

Fig. 6.1. A comparison of Piercy’s (2002) and Doyle et al’s (1988) strategic components



The outcomes of this research highlight that the value proposition embodies all that has gone before it in terms of planning. It should contain customer focus, reflect the market choices that have been made and gain strength from any key relationships made. In short it embodies the core of marketing strategy. As well becoming the summation of the marketing strategy process, the value proposition also influences the implementation of marketing strategy. This characteristic is discussed next.

6.2 The implementation conundrum

The difficulty in effective progression from development of marketing strategy plans to implementation has been studied in many contexts and by many academics. Authors such as Mintzberg (1994), Dobni et al (2001) and Piercy (2002) all support this view and highlight the importance of this work. The finding that “managers frequently view the production of a business plan as an end rather than a means” (Harrison et al, 1994) is overcome through this study’s emphasis on implementation. Through focusing on a



qualitative and real-world case, this study finds that marketing mindsets play a crucial role in this process. Individuals have been highlighted in previous work such as Slater and Narver (1994) and Coles (2003) as key parts of the implementation process, however this research highlights the value proposition's role within employee's mindsets. The operational concept of the value proposition as part of marketing strategy is comprehensively covered by Piercy (2002) in terms of the strategic pathway which firms must navigate, but it must also be viewed as part of organisation culture and organisation learning in its ability to engage, focus and motivate mindsets, including those which are not part of the marketing areas within companies. Within DDC every interviewee is found to understand the value proposition whether from operations, shop floor or the category management team. The strengthening of engagement with 'what we stand for in the market' aligns mindsets, reduces communication barriers between departments and creates a positive learning environment within DDC. Piercy (2002) states "quite simply, we need better ways of integrating strategy and implementation" and the outcomes of this research aid this process.

Palmer et al's (2005) "functional separation of marketing from logistics" is highlighted by this study and exploratory outcomes attempt to emphasise the tools which business can use to reduce this gap. The concept of a micro-version of a value chain from strategy to implementation or the marketing department to customer-facing staff, allows the marketing channel literature (Buzzell and Ortmeyer, 1995; McIvor and McHugh, 2000) to aid this issue. The implementation of marketing strategy is influenced by shared marketing mindsets. As well as conduits through which the value proposition flows to customers, these linkages are enhanced in their flow by the value proposition. Masiello (1998) findings are in opposition to this study's. The awareness of the value proposition throughout DDC is in stark contrast to Masiello's (1988) findings of limited understanding by employees of customers or their own part in delivering value. This supports the use of DDC as the single case and as a positive example of modern-day business.

Piercy's (2002) barriers to the implementation of strategy such as separation of planning from management, hopeless optimism and implementation being recognised too late or is a black box, are reduced by this study's understanding of the value proposition. Firms

can utilise this study's concepts of the value proposition in order to increase the awareness of the key part that implementation plays and the value of the people who will affect that process. A strongly shared value proposition can bring together functional areas, focus mindsets and reduce the gap between the decided and actual value proposition.

### **6.3 The value proposition**

As this study focuses on the value proposition of a service rather than a product, the value "cannot be delivered except in the presence and with the co-management of customers" (MacStravic, 1999). This means that this study can directly access the flow of the value proposition from boardroom to shop floor and thus bring insight into its impact on the implementation of marketing strategy..

Rather than focusing merely on competitive advantage as the core on which marketing strategy is built (Brooksbank, 1994; Devlin and Ennew, 1997), the value proposition includes the customer orientation, the way in which customers should perceive the offering (positioning) and from where this power comes (marketing assets). The outcomes of this research suggest that the value proposition (as a construct) offers a more developed and supported core on which strategy can be built by both business and academia.

So why does the value proposition have such a key part to play within organisations? Rather than the company broader vision and values, the value proposition tightly defines not only the organisation's core purpose, but also acts as a cognitive focus for individuals within the company. Perrey et al's (2004) view that value propositions should be "a summation of the propositions from the contributing business areas" is not supported by this research's findings. All areas of DDC see the value proposition as a pillar at the heart of what they do, with each area having different perspectives. Thus the value proposition is not a summation, but a constant from which actual value propositions are taken, reflecting the concept of the shared vision, that personal visions are not pieces of the shared vision but include the shared vision from different viewpoints (Senge, 1990). This differentiation takes account of the value proposition



being decided upon by management but that employees in the chain influence the actual value proposition.

One key question arose from Senge's (1990) development of the "governing ideas"; the Vision, the Purpose and The Core values. The study's findings show that the value proposition can be a part of all three of these elements for subsidiaries. The value proposition acts as a driver of day to day working through mindsets, but also answers the purpose of DDC with its customer orientation. The value proposition also acts as a driving force that pushes employees towards an attainable and realistic goal of what the company *wants* to stand for in the market place. This shows the versatile yet encompassing nature of the value proposition as well as emphasising its power within marketing strategy.

Although this research's philosophy does not focus on deriving hard and grounded outcomes, it is considered that a definition of the value proposition with relevance to this study's findings is appropriate. The value proposition is a key part of both marketing strategy development and implementation. In the marketing strategy process it embodies what the company stands for in the market place; distilling the orientation, market choices and relationships decisions made by the organisation into a single customer-focused purpose. In the implementation process the value proposition plays a key role in the creation and alignment of marketing mindsets throughout the organisation, adding drives to both individuals and clusters within, forming an implementation mindset that ultimately affects the customer experience. With the above outcomes, this study adds depth to both Websters (1994) and Alloza et al's (2004) definitions of the internal impact of the value proposition by not merely describing the internal outcomes of the value proposition but actually how these occur.

Whereas other studies have emphasised the value proposition as a key marketing concept (Walters, 1999; Buttle, 2000; Piercy, 2002) this study highlights the bridge between planning the value proposition and having it valued by employees, i.e. its internal implementation or management, with key outcomes for business constructed, for example model 3 (fig 6.4).



Coles (2003) study found that “our offering, our organisational direction and our competitive advantage” were the three fundamental strategic drivers of uniting “28,000 employees behind one brand”. This study’s findings takes these three elements and use the value proposition as both the offering and competitive advantage, whilst organisational direction is taken on by the company vision within DDC. The merging of the offering and competitive advantage may seem a small difference but it allows competitive advantage to become much more customer or people oriented as it is directly linked to a firms offering. For example, DDC’s key competitive advantage is its staff’s expertise, which is a key part of its offer as a one stop shop with expert knowledge.

#### **6.4 Reflection on MNC research**

In the first section of the literature review, considerations are made of previous studies of MNCs and their culture from Young and Hood (1976) to Shaw (2001). The MNC is a complex and dynamic organisation influenced by both internal and external variables. This research takes a realistic view of day-to-day operations from the perspective of part of the organisation, a necessary decision in order to gain the depth of understanding. This research therefore views the MNC from inside the smaller subsidiary and it is from this perspective it derives its assumption and outcomes on the relationships between the two. Therefore what this study lacks in any holistic overview of an MNC, it gains from the closeness to the subsidiary.

DDC has a strong individual culture compared to its parent company. Its isolated location (based in Manchester, whilst all other operations are based in Slough) must be a key factor in developing this mindset. However, a key outcome of the case study research is that the relationship with its parent both negatively and positively affects DDC mindsets. This positioning against or with the parent company needs to be carefully controlled. The new vision rolled out organisation-wide helps to rein in and reduce the distance between the two. An outcome of these findings is that subsidiaries are therefore a rich vein of information to tap into for improving MNC organisations effectiveness, as is a person who has worked with a colleague for many years and is able to offer advice on their skill development. Subsidiaries have detailed and relevant knowledge within which can enhance a MNCs performance. The usefulness of shared

mindsets to MNCs is one of the outcomes of this research and is highlighted in section 6.6 in relation to channel management theory.

Robert Fitz (quoted by Senge, 1990) emphasised common goals and focus by saying “In the presence of greatness, pettiness disappears”. Although this study does not uncover any “pettiness” in its DDC interviews this is not to say that it doesn’t exist at all. However DDC does appear to lack this negative aspect in comparison with the level of criticism between the subsidiary and its parent company. These findings, although not conclusive, point to a lack of antagonism within DDC due to its strongly shared mindsets.

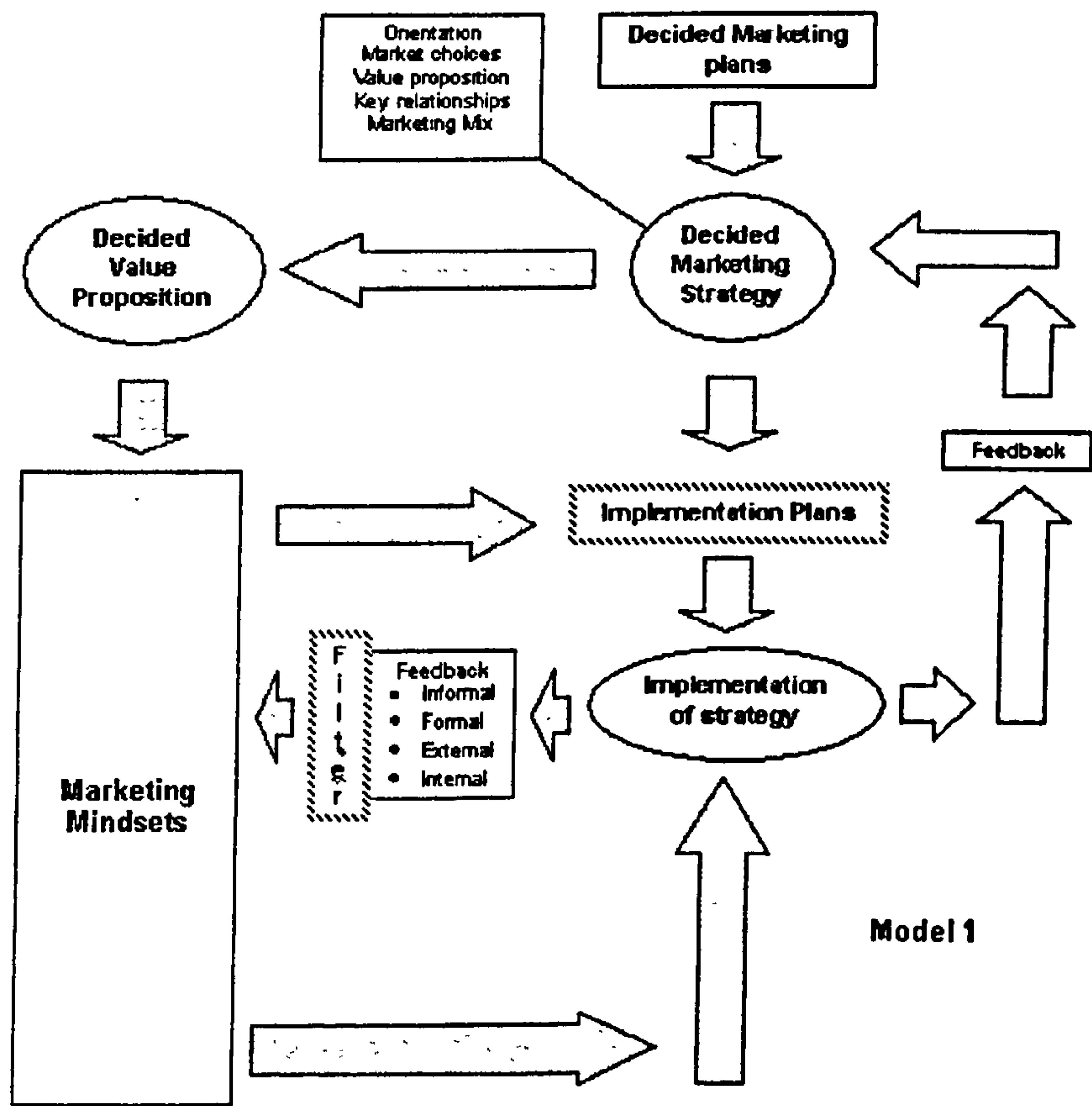
In a dynamic and complex market a solid value proposition is vital in guiding the marketing strategy of the firm. Such a strong value proposition helps to focus employees, not allowing the fast-pace of the industry to leave mindsets unclear or impeded. As stated previously a localised part of an MNC has little interest in global strategy, rather focusing on the best use of marketing strategy under their control. This emphasises the importance of context when developing and using theory. Subsidiaries of MNCs within many markets are constrained by standardised products and international/global corporate strategy. The value proposition is one of the few elements of strategy that can be leveraged by these firms at local level in order to adapt to the market. Therefore value proposition understanding is crucial for such firms and supports the purpose of this study and its outcomes.

### **6.5 An overview of the marketing strategy process**

The following diagram (fig. 6.2, model 1) attempts to illustrate the process that this study has explored. However, although an abstract diagram, this research takes a practical and realistic view of marketing strategy implementation, bringing together work on marketing strategy, organisational culture and marketing mindsets. This study emphasises the importance of the value proposition not just as a key part of marketing strategy itself but also as an active component in the development of effective marketing strategy implementation through developing strongly focused and shared marketing mindsets. The shared value proposition must integrate with the internally

focused vision to create effecting implementation planning and execution not just in the marketing department but also in the wider organisation.

Fig. 6.2. Model 1: Holistic conceptualisation of the systems of marketing explored.



In model 1 the ‘decided’ elements of strategy and plans are those agreed by higher management. The lower levels of an organisation then plan their implementation and actually carry this out. Traditional feedback mechanisms from implementation such as sales is highlighted on the right side of the model and has an impact on marketing strategy decision-making, but this information system is already well developed in literature (Langdon, 2006). However as uncovered in this research, feedback also has a key influence on marketing mindsets (see model 2, fig. 6.3, for micro-model). Model 1 also recognises that filtering may occur within DDC. This reflects Garret’s (2000) model of barriers of individuals, but they may also be part of the organisation’s systems and culture (Gratten and Ghoshal, 2005). This explanatory model (1) highlights the dual



role that the value proposition plays within organisations as part of marketing strategy in a subsidiary. Next this chapter focuses in on the marketing mindsets of model 1.

## 6.6 The value of mindsets

The main research's findings conclude that marketing mindsets are the "distillation of the vision, the value proposition and both personal and company drivers within employees.... with which they will plan and implement marketing strategy" (section 2.2.9, page 46). This definition therefore encompasses not just those within marketing departments of firms but any employees involved in the delivery of value. The ability of the marketing department's mindset to adapt and take on board new and different ideas and approaches is seen as one of the core differences between it and the rest of the organisation and can be seen as the opposite of the "disempowering mindset" (Morrison and Rosenthal, 1997). The flexible nature of the department's mindset is found to be a positive asset in business (Harrison et al, 1994). Harris's (1998) work supports this outcome explaining how market-oriented culture can control the wider organizational culture. As the core element of marketing strategy the value proposition can therefore be seen a key component of this culture development. Indeed all areas of DDC explored, show an awareness of this construct. Stewarts (1998) assertion that "in an age of intellectual capital, the most valuable parts of those jobs are the human tasks" can be supported by this work's exploration of real-world business where it is people and not plans that implement marketing strategy. Peters and Waterman's (1982) argument that in successful companies employees should be its key asset is directly supported by the findings from DDC.

Porter's (1996) argument that "the essence of strategy is choosing a unique and valuable position rooted in systems of activities that are much more difficult to match" emphasise the importance of this work to business. As both mindsets (Allaire and Firsirotu, 1984; Young, 1989) and the value proposition (Woodall, 2003) are unique to every organisation and therefore difficult for other firms to match, these clearly are areas which can be used as the core of strategic capability, particularly in an MNC when a subsidiary may be shackled by strategic planning. Company mindsets and the value proposition can be key components of a firm's ability to compete in the domestic marketplace.

The basis for mindset exploration is taken from both organisational learning and organisation culture studies. Mindsets are the point of data collection and are therefore directly explored in this study allowing for richness of data. In the case of DDC, the marketing department is closer and therefore more engaged with the value proposition. The ability to align functional areas mindsets means less friction for the marketing department when working with other areas of the organisation. This finding supports Schein's (1996) view of functional groups hindering learning and the ability of the value proposition to overcome a lack of mutual understanding. In essence that shared mindsets overcome functional separation (Palmer et al 2005), through engagement with the value proposition.

This study's outcomes support those of Gratten and Ghoshal (2005), but goes further than emphasising that management must develop a relationship between a company's employees and its goals and values, to argue that business must encourage engagement between employees and the value proposition in order to effectively market. Gratten and Ghoshal's (2005), work also emphasises the importance of integrating day-to-day routines with values and goals. This research uncovers and explores actual solutions to this key process through the use of the company vision and value proposition in the creation of marketing mindsets.

DDC can be seen as an example of Slater and Narver's (1995) findings that "market orientation, complemented by an entrepreneurial drive, provides the cultural foundation for organizational learning". DDC shares strong marketing mindsets and has a great amount of drive both from its leader and from individuals within the organisation. Findings from the case study research also highlight that DDC reflects a learning organisation culture.

Studies by Walters, (1979), Buzzell and Ortmeyer (1995), Siguaw et al (1998), Dyer et al (1998) and McIvor and McHugh (2000) emphasise the value gained in the channel management, specifically the alignment of values. These studies combined with the outcomes of this work highlight the advantage that can be created in firms through the development of shared marketing mindsets. This study offers transfers this concept to



value a micro level of marketing within one company. Within DDC, the flow of value from senior management at head office, through functional areas of the organisation, to operations and customer facing employees is influenced by the shared mindsets of both individuals and areas of the company. As an example the console industry could benefit through developing shared mindsets in critical partners. In the games industry relationships with games developers and publishers become a crucial part of the console manufacturer's value proposition. What a console stands for is clearly linked to its games portfolio (see appendix C10). A shared mindset of the console's decided value proposition between developer, publisher and producer can only impact positively on relationships between the organisations and also the implementation of marketing strategy. With shared marketing mindsets a focus on the core of the console's marketing strategy is created, increasing the effective implementation of marketing plans.

This outcome also touches on Young's (1989) work on the importance of intra-group interests, Schein's (1996) barriers to learning through functional groups and Hofstede's (1998) work. Within DDC the functional areas may have different focuses, but they are from the same value proposition. This shared mindsets overcomes barriers between but still allows the functional areas to be effectively at their own role within DDC. Hofstede's (1998) findings that "perceptions of organizational practices did not form recognizable clusters at the level of individuals, but only at the level of organizational (sub) units", is only partly supported by this study's findings. At the individual level, nearly all members identify elements of the value proposition and vision, however these do become more aligned within their subunits when looked at holistically.

Organisational culture work by authors such as Harris's (1998) Lee (2004), Gratten and Ghoshal (2005) support this study's finding that in order for the implementation of marketing strategy to be effective, a positive mindset must be assimilated and shared by individuals. In particular an understanding of their impact on the customer value and a belief and engagement with the value proposition is crucial. This introduces the idea of systems thinking (Senge, 1990, Steiner 1998) within employee mindsets, something being developed within DDC through the vision but it is found that this is actually being reduced by internal factors such as the pace of change within the company. The lack of time to reflect on work and the limited feedback that the marketing department receives



could make “employees screen off the part that is not immediately affecting their situation” (Steiner, 1998). Systems thinking is crucial in the motivation and engagement of employees and the above dynamics cause mindsets to become less focused and disenchanted, ultimately effecting marketing strategy implementation.

The development of fields within marketing such as relationship management has given rise to people-centric marketing, with authors such as Piercy (1994) emphasising both an internal and external people focus. It has become no longer enough to be customer oriented, business must become people oriented and feedback is a very important part of this, not just formally but informally from both external and internal sources (see model 2, fig. 6.3). Feedback is already seen as a crucial part of most business information systems (Langdon, 2006). However this research argues that feedback to mindsets is equally important. Model 2 highlights the types of feedback found in DDC. This research argues that careful monitoring of these areas is required to avoid demotivation and disengagement in employee mindsets.

Fig. 6.3. Model 2: Feedback types

Model 2		Feedback types	
	Internal (employees)	External (customers)	
Formal	<ul style="list-style-type: none"><li>• Performance Reviews</li><li>• Targets</li><li>• Objectives</li></ul>	<ul style="list-style-type: none"><li>• Figures</li><li>• Sales</li><li>• Responses</li><li>• Revenue</li><li>• Costs</li></ul>	General
Informal	<ul style="list-style-type: none"><li>• "Pat on the back"</li><li>• "Good job"</li><li>• "Many thanks"</li><li>• "Next time would this be better"</li><li>• "That didn't work very well"</li></ul>	<ul style="list-style-type: none"><li>• Face to face</li><li>• Phone</li><li>• Email</li></ul>	Individual

Even though the value proposition is shared throughout the company, DDC employees do not verbalise the value proposition with exactly the same words or ideas. Instead the value proposition reflects their position with the company such as operations focusing more on day to day issues. This suggests that the shared value proposition has similar characteristics to Senge's (1990) shared vision and the study views the value proposition as a key part of the company vision.

## 6.7 Sharing mindsets

So how have mindsets become shared in DDC? The findings conclude that although communications can directly and formally impact on mindsets, it is the behavioural setting of examples that generates the greatest confidence and trust in the mindsets of staff. Model 3 (fig. 6.4) below highlights the varying methods. This also illustrates how both the vision and value proposition are communicated in DDC, as these are key tools in the development of mindsets. Garret's (2000) work emphasises both understanding and energy is required to reduce barriers to implementation. However Garret's model describes what mindsets are present rather than how changes in mindsets can actually be achieved by firms, thus this research is of increased usefulness to business.

This study considers Platts and Yeung's (2000) view that explicit rather than implicit knowledge has been previously focused on with tacit knowledge "often either not considered or thought of as too soft or intangible to manage". This study does not shy away from emphasising and using tacit knowledge if it remains key to the implementation of marketing strategy. The inclusion of mindsets as a core concept and the highlighting of implicit demonstration as a key communication tool for business (model 3) shows that this study has increased the understanding of tacit knowledge within the process of marketing implementation.

Senge's (1990) barriers to shared vision such as discouragement and loss of connection are overcome through the dynamism within the company and the strength of the shared value proposition. Clear internal communication is crucial for business. This research takes a practical approach to exploring and visualising the way in which the vision is



communicated. For the firm to successfully engage its workforce it must move to the indirect/informal process. However other methods such as direct and formal all play the roles described in model 3 in developing and maintaining positive mindsets and must be integrated to create overall belief within employees mindsets.

Fig. 6.4. Model 3: Communication of vision: outcome of methods

Model 3     Mindset communication: outcome of methods		
	Direct (cognitive) (Tell)	Indirect (behavioural) (Show)
Formal  (Standardised & controlled)	Clarity and penetration  Example: Launch at Conference	Relevance and expectations  Example: Performance targets
Informal	Maintenance of importance through frequency  Example: Day to day discussion	Implementation through implementation  Example: Demonstration

Mental models are images, assumptions and stories that affect how we both think and act (Senge, 1990). Many authors of mental model research emphasise the difficulty in their investigation due to their partly tacit nature. Argyris (Senge, 1990) explains “although people do not [always] behave congruently with their espoused theories [in other words what they say], they do behave congruently with their theories-in-use [their mental models]”. This supports the previous argument that the indirect/informal (see model 3) approach should be the goal of businesses. This study through the depth of its data collection and the multiple points of data used can conclude that tacit data has been uncovered and explored. This is partly aided by the open and honest culture found within DDC: that weaknesses are openly discussed and problems are questioned in interviews i.e. it has a “commitment to the truth” (Senge, 1990).



O'Brien's (as cited by Senge, 1990) view that teams should be open with integrity rather than merely agreeing a middle ground is a key part of DDC's culture. This is a characteristic of a learning organisation found in DDC and is confirmed by Senge's (1990) views that learning firms can openly recognise shortcomings, encouraging members to develop their personal visions in order to develop a shared vision.

Kim (1993, as cited by Senge) sees mental models as representing "...a person's view of the world both explicit and implicit understandings". Due to the uncovered nature of the value proposition and the company vision within DDC, the implicit understanding echoes the value proposition whilst the explicit reflects the impact of the new company vision rollout. It can be concluded that before the new vision, DDC lacked formal and direct communication to its employee's mindsets. Although simple and explanatory this highlights the usefulness of model 3 to business, allowing communications to be balanced and integrated.

#### **6.8 Further evidence of organisational learning and the strength of DDC's value proposition**

The use of the organisational learning theory is validated by the findings. Shared vision theory reflects the sharing of the value proposition, mental models help to explore marketing mindsets and systems thinking aids in the understanding of mindsets within the DDC and how these influence the value proposition.

DDC appears to maximise their "opportunities for success" (Slater and Narver, 1994) as all members felt that they contribute to the value that customers receive. This systems thinking (Senge, 1990) is one part of the learning culture within DDC. Also the management of DDC do not assume a single future, but have numerous and incremental targets and goals. This step-by-step planning allows adaptation to different concerns through out the year and therefore multiple scenarios are planned for emphasising the organisation learning theory (Senge, 1990).

Steiner (1998) finds many barriers to learning that apply to sharing mindsets. Many of the barriers recognised exist because of the different mental models of management and other employees. DDC attempts to overcome these barriers with its flat

communications hierarchy and its willingness to overcome and circumvent long chains, creating a more dynamic and engaged atmosphere. Often emphasized is that the Head of DDC communicates to employees at all levels of the organisation (an example of informal-indirect communication, see model 3, fig. 6.4) and that no one in the organisation is expendable. Multiple channels of communication are vital for effectively shared mindsets. Steiner's (1998) belief that "Perhaps this theory [of a shared vision] is applicable only to management groups" is challenged in this case through DDC's strongly shared mindsets. Mental models may not be shared e.g. timescales (Steiner, 1998), but what is important is that key facets of mindset, such as the value proposition, are shared. In fact the shared value proposition could lay down a basis, a common understanding, on which other areas of the mindset can be shared.

In addition to system thinking, process thinking is also emphasised in DDC (Senge, 1990) with employees encouraged to move around the company. Data from the summary sheets shows that the mean time spent by participants in the organisation is 6.2 years and the mean time in their current role is 2.5 years clearly highlighting that employees do indeed move around within the organisation and this can only help to gain broader and more process driven mindsets rather than "snapshots" (Beckett as cited by Senge, 1990) from one perspective. It also highlights the reasons for the company's highly dynamic internal culture, a key part of DDC's mindset drivers.

Yeo (2005) summary of the common theme of learning organisation definitions, "viewing organisational learning as a driver of organisational performance and competitive advantage", highlights the shared properties of this study and learning organisation theory. The value proposition is often used as a marketing construct, yet has the ability to become a key part of the culture of a company, aligning mindsets and creating motivation within employees.

In summary the evidence for DDC as a learning organisation and a positive example of a shared value proposition is overwhelming. Senge (1990) quotes the CEO of Hanover as stating that "In the traditional authoritarian organisation, the dogma was managing, organising and controlling...In the learning organisation, the new 'dogma' will be



vision, values and mental models". These elements are clearly visible in DDC and support the use of this case as a basis for exploring marketing mindsets.

Also present are many indicators of the strength of the case study company's value proposition. Appendix A17 includes an example of the internal magazine which includes many references to market leading innovation, big and bold marketing and key strategic initiatives. This strong communication of strategic intent adds to the company vision and can only strengthen the shared mindsets within DDC.

## **6.9 Mindset drivers**

Mental models within mindsets influence motivation. Morrison and Rosenthal's work (1997) highlights this by emphasising that a "disempowering mindset" can influence employee's views on what can or cannot be achieved, whilst work by Argyris (as cited by Senge, 1990) uses the term "skilled incompetence" as part of defensive routines. Key characteristics (both personal and company-based) that influence mindsets are grouped as mindset drivers by this research. These are explored, with empowerment found to be the most crucial aspect from which many others such as no blame culture, personal responsibility and feeling valued emanate. Drivers can be grouped into parts of the culture, communications, value proposition and the behaviour of senior management. The motivational drivers found in the mindsets of employees were positive and aspiration rather than negative and fearful (Senge, 1990) again highlighting the leaning towards organisation learning in practise.

Lee's (2004) view that "a defined organisational culture can provide the necessary leadership that ensures that staff attain high levels of performance" can be directly linked to this study's concept of mindset drivers. These variables are found to motivate, drive and lead employees within DDC, however the findings indicate that these have been formed through the leadership of the Head of DDC. The culture has therefore been influenced by the leadership of this figure their mindset has become shared through DDC.

Effective marketing strategy implementation is key for all business. No matter how wonderful marketing planning is, without the same ability to implement, it is wasted.

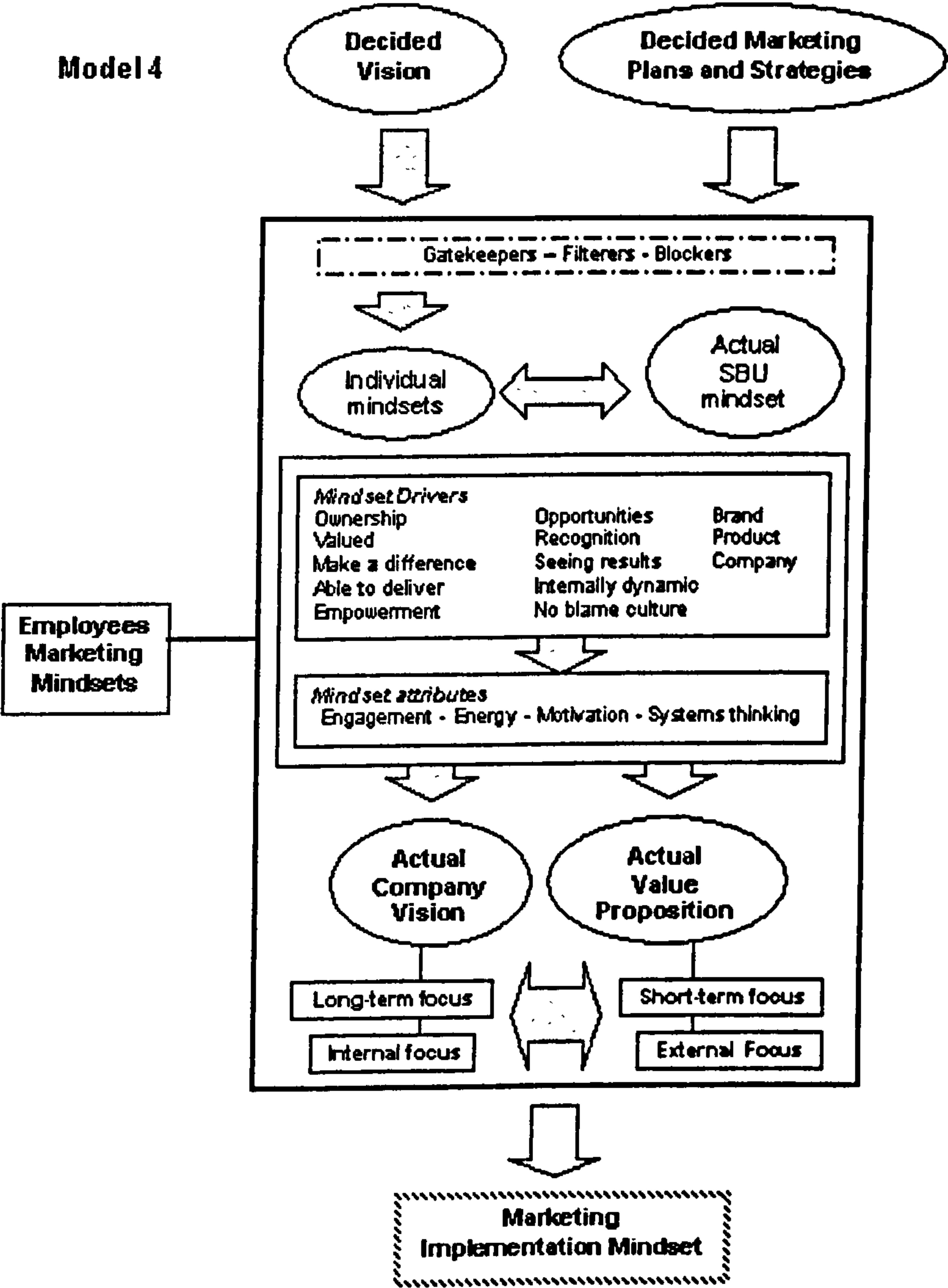


This research focuses on implementation of marketing strategy through incorporating mindsets. These affect how employees perceive themselves, their customers, their company and their work. This is the importance of marketing mindsets to business and therefore their inclusion in this study.

#### **6.10 An overview of mindsets**

As this research highlights, the decided value proposition impacts on marketing mindsets and this is detailed in the following model (fig. 6.5). Both the decided vision and decided value proposition are communicated to employees and may influence their mindsets (this process of communication of the vision and value proposition is detailed previously in model 3, figure 7.4).

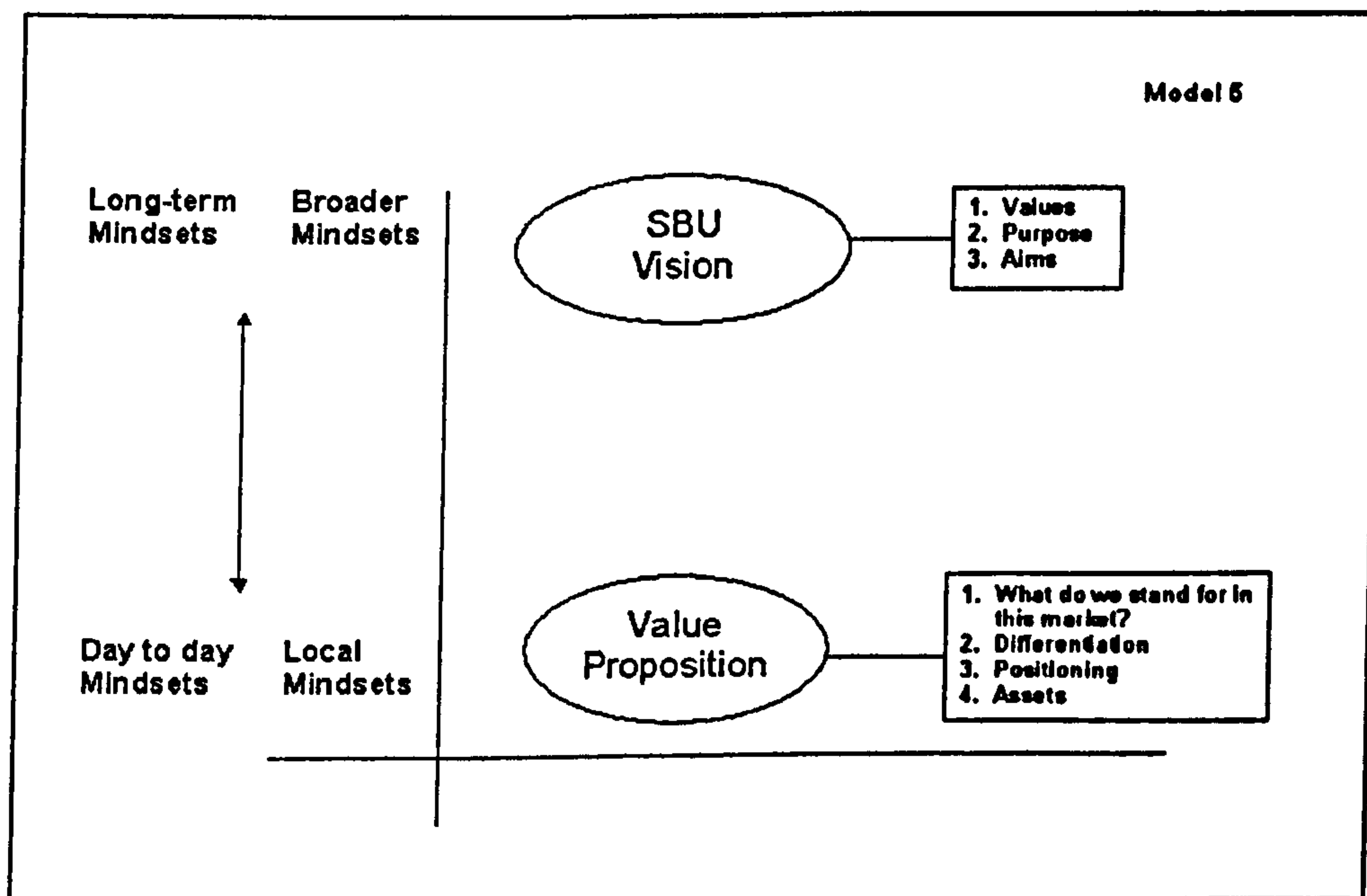
Fig. 6.5. Model 4: The value proposition and vision affecting marketing mindsets



As with feedback (model 1, fig. 6.2), filtering can occur from individuals in the organisation supporting Senge’s (1990) and Garrett’s (2000) work and hindering the sharing of the visions, the value proposition and ultimately marketing mindsets. Methods to overcome filtering have been introduced within DDC, such as a flat communication hierarchy and meetings with personnel at either end of lines of communication. The decided vision and decided value proposition influence individual mindsets and thus the collective mindset of the organisation. It should be noted that this might not necessarily be the mindset intended by higher management. This is a crucial area that needs to be acknowledged by business: as it is individuals who plan and

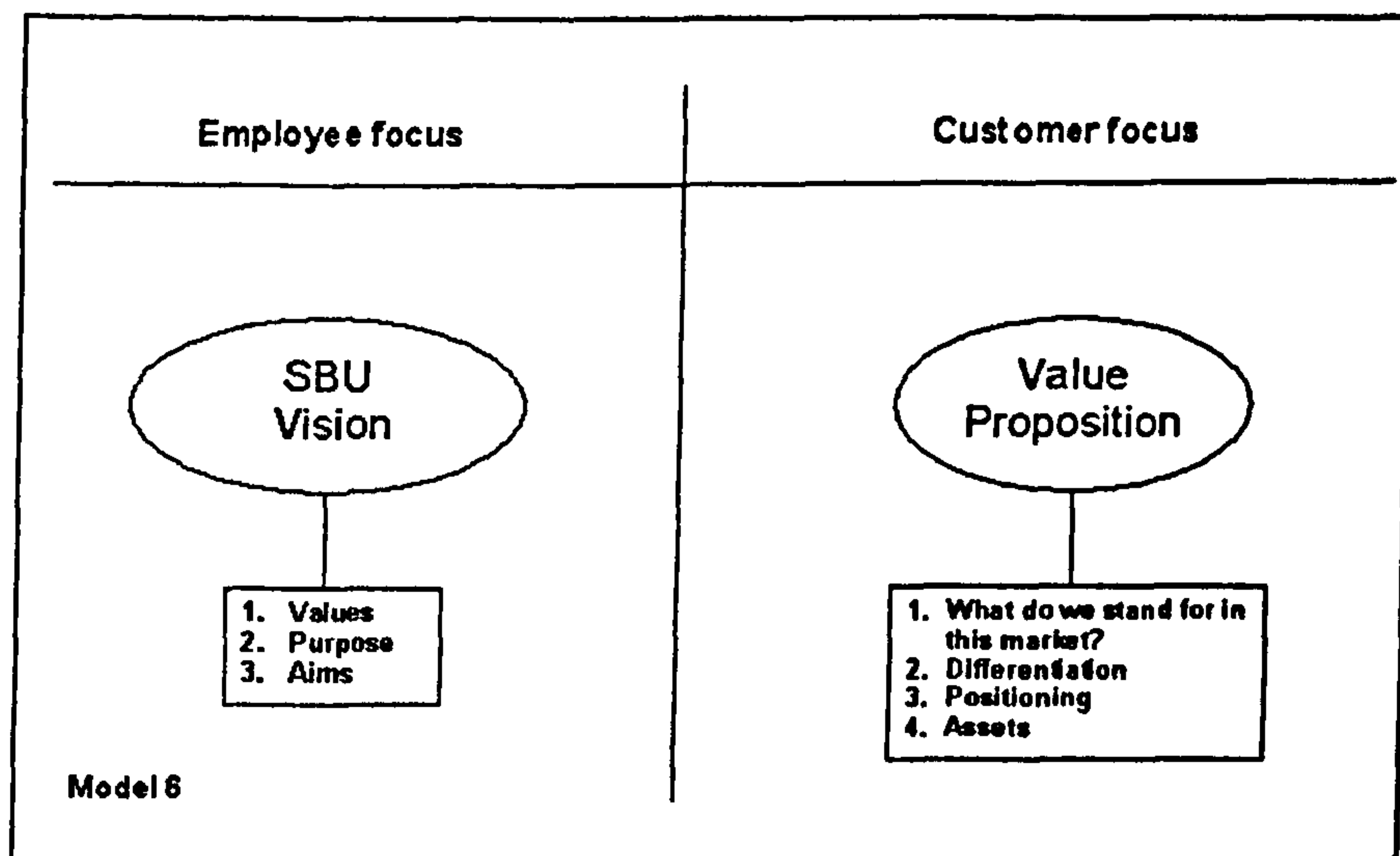
implement, mindsets are key in effective marketing strategy. Mindset drivers can be either personal or derived from the company but are elements that either increase or reduce mindset attributes such as energy and engagement. Developed from the mindset drivers, these attributes will determine how employees perceive the value proposition and the vision. As found, the vision and value proposition have different impacts on mindsets. The vision gives a greater long term and internal focus to mindsets whereas the value proposition gives a more short term and external focus (see the following models 5 and 6, figures 6.6. and 6.7 respectively). The marketing mindset (whilst also influencing implementation planning, see model 1, fig. 6.2) therefore is used when implementing plans and will determine the manner in which marketing strategy is implemented.

*Fig. 6.6. Model 5: Effects of the new vision and value proposition on mindsets*





*Fig. 6.7. Model 6: Utilisations of the vision and value proposition.*



### 6.11 The company vision

The vision is included in this research due to the characteristics that this study asserts that it shares with the value proposition. Also the opportunity to see how the vision affects mindsets is presented by DDC launching and implementing their vision between the two stages of data collection in the case study research.

This study finds that the shared vision of DDC does not have the large impact that Senge (1990) believes it should. It creates no wave of affection or devotion from employees or does not create a higher level of engagement. Senge (1990) says that traditional top-down approaches may not work due to them not being implemented and having no match to the personal visions. The new vision is being implemented fully using all the communication methods in model 3 (fig. 6.4) and all employees feel that this vision is suitable for them and DDC. The reason that this vision has little effect is that DDC's values are already implicitly understood through employee's engagement with the value proposition. Many employees feel that people with DDC know their heading already and that the vision merely explicitly and formally expresses this. Mindsets are shared already without the formal and explicit communication of the vision. This shows the importance of employee engagement over mere acknowledgment. Therefore the vision clarifies and solidifies the "common caring" (Senge, 1990) for employees of DDC but does not create it. Through creating shared

marketing mindsets, the value proposition is used as an implicit vision of the company, illustrated in how people go about their roles through demonstration of the mindset. As the value proposition is most felt by those who have a key part to play in delivering the value to customers, it can be argued that functional areas will be more affected by the company vision.

This study agrees with Senge (1990) and Morrison and Rosenthal (1997)'s findings that vision creates long-term goals and a broader viewpoint. DDC employees believe that the new company vision gives them a long-term mindset so that they are more confident in their day-to-day work. However this study adds to this literature by suggesting that although the shared vision creates long-term focus, it is the value proposition that creates short-term focus within employees. Rather than long term goals and end results, the value proposition guides employees how to go about their work day to day. It could be hypothesised from this that shared vision impacts most on the planning processes whilst the shared value proposition influences the implementation process.

Senge (1990) sees shared vision as being "not an idea...It is rather a force in people's hearts, a force of impressive power...vital for the learning organization because it provides the focus and energy for learning". This study finds that the most acknowledged mindset drivers are culturally underlying and implicit. Although some relate to the shared company vision such as feeling valued, others such as empowerment have more to do with the day to day mindset of management rather than the vision. The value proposition also provides an energy and focus within DDC and therefore this study highlights that Senge's (1990) view of the shared vision can be transferred into a marketing context through the value proportion.

DDC implements a "will you follow me?" organisational learning (Senge, 1990) strategy. The development of shared mindsets within DDC through communications (see model 5c) is carried out using multiple methods but uses demonstration as its key tool. The ability for management to embody the target mindset of DDC has allowed this to be strongly shared through the organisation, from management to shop floor. The behaviour of senior executives is a strong mindset driver. One issue with this strategy is that "traditional top-down approaches may not work due to them being implemented



and having no match to the personal visions” (Senge, 1990). So why does this work within DDC? The strong sharing and engagement of employees with the value proposition becomes a common level of understanding between management and employees, overcoming traditional barriers of communication (such as Masiello’s, 1988 and Steiner, 1998) and allowing shared mindsets to develop. Steiner’s (1998) emphasises the difficulty for management in communicating with other employees. The ability for elements of mindset to be shared (a company mindset) reduces such barriers of language and communication, whilst issues of trust and truth are lessened by the company’s “commitment to the truth” and other learning organisation attributes. Thus this research offers business insights into real-world solutions to management issues.

Using Senge’s (1990) scale of engagement towards the vision, no interviewee appeared to be below level 3, genuine compliance. Not only is this indicative of the success of DDC, but also of the way in which organisational learning and the value proposition have come together to form a strong and positive mindset. This vision though is communicated through the value proposition and is more implied in behaviour than explicitly communicated. One of the three guidelines for commitment (Senge, 1990) highlighted in the literature is “let the other person choose”. This could be overcome by DDC’s recruitment policy (bringing in similar mindsets), but it emphasises the strength of the DDC mindset that every participant has chosen to share these beliefs.

So in summary what effect does the formal vision have? It strengthens mindsets, creates long-term focus, and brings broader perspectives to them. Although internally focused its effects should be felt externally. Model 6 (fig. 6.7) highlights the different focus of the vision and value proposition in DDC. However this is not to say that their impact is limited to these audiences as the value proposition does affect employee mindsets and is crucial to the internal culture whilst the vision aims to ultimately impact on the satisfaction of customers.

Both the value proposition and company vision impact on mindsets. The company vision strengthens the impact of the value proposition and brings clarity, focus and a drive to mindsets. The vision gives employees a formal structure with which to stand back and reflect on the value of their work and their role within the company and also



gives long-term confidence without risks of giving away sensitive future plans. Due to its longer-term impact on mindsets, there could be greater impact of vision on mindset engagement lower in the organisation due to the general lack of longer-term perspectives at lower levels in the organisation, however it will affect long-term planning rather than shorter term implementation. Model 5 (fig. 6.6) explores the effects of the vision and value proposition on mindsets. The vision is targeted at solving long-term uncertainty and creating a wider alignment of mindsets. The value proposition is transferred directly into day-to-day work e.g. understanding of why a task is being done, and creates a more locally focussed mindset.

In conclusion, Senge's (1990) shared vision is actually communicated implicitly through the value proposition within DDC. The company vision strengthens, clarifies and explicitly solidifies this value proposition in the mindsets of employees. Those employees who are directly involved in the process of delivering value to customers are more likely to be influenced by the value proposition than the vision.

#### **6.12 The importance of this research to business**

The DDC shared vision is channelled into company goals and marketing objectives and strategy. For example DDC aims to be number one in every category, courageously leading and growing the market and have outstanding people, brands and customer relationships. This is clearly a marketing focused vision that strategically places itself in the market place and leads to DDC's "Where do we want to be?" values. These are translated into strategic objectives of operational effectiveness and differentiation. Operational effectiveness goals strongly link to the shared mindset outcomes of this research. Developing similarly focused mindsets throughout the company will aid in the efficiency of implementation. DDC's target of differentiation through innovation in service and range that adds true value to the customer emphasises the importance of the shared belief in the value proposition. The shared value proposition affects employee's daily roles, creating a positive working environment and effectiveness of value transfer. Although strategic planning is crucial, this example highlights the key role that the elements studied in this research play in the continued performance of firms.

### 6.13 Appraisal of research

As previously stated, management processes takes place in a state of constant flux and therefore studies such as this are vital in providing up-to-date marketing strategy research to keep pace with change.

The inductive nature of this study means that the purpose of this study is theory building, thus conclusions are developed to solve the 'how does' objectives posed (Perry, 1998). In such a focused case study, perspectives and context is crucial and is acknowledged as such throughout. For example the relationship between MNC headquarters and their subsidiaries in terms of the management and control of marketing strategy is an area developed in the case study. Mindsets are explored to gain an understanding of subsidiary's relationship with its parent company. As well as description of the relationship, attitudes towards this relationship are also captured through the exploration of marketing mindsets. This area although rich in data and interest, is still deemed an exploration of a perspective rather than of an objective snapshot. Therefore outcomes from this do not favour the subsidiary over the MNC, simply reciting common complaints or wishes of employees. Instead there is more objective reasoning with outcomes considering that the subsidiary is a rich yet underdeveloped area for gaining intelligence on methods of improving performance.

Piercy's (2002) value proposition framework is supported as a valid tool for use in this study not just by solid arguments put forward in the second literature review, but through participant's use of similar terminology throughout interviews. Their understanding of abstract models developed as frameworks and the explanatory models developed through the first interviews highlights their practical nature in conceptualising often intangible business processes.

This research focuses on a service-based product in order to be able to tap directly into the value proposition through mindsets. However this research acknowledges the different attributes of value proposition creation and delivery in companies with product-based offerings (MacStravic, 1999) where mindsets may play a more tactical or supporting role to the value proposition inherent in the product itself. Therefore the



transferable nature of the outcomes and recommendations are recognised as limited to firms with similar service-based offerings (see section 8.2.1).

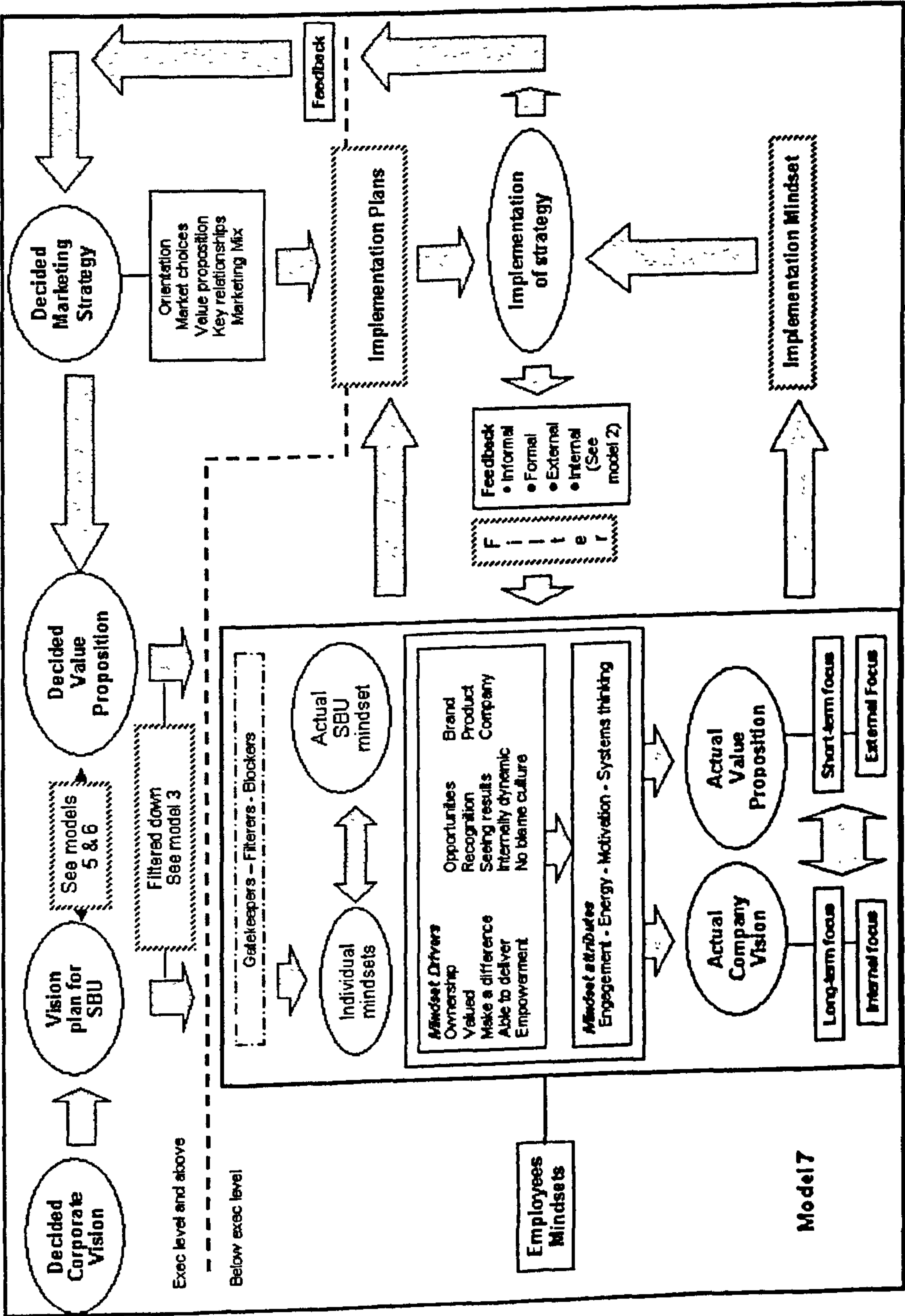
Organisational learning theory is used by this study to strengthen its understanding of mindsets. This research focuses on the link between planning and implementation, therefore to omit these learnings would weaken and limit the study's value. This research's aims are not to produce or develop organisational learning literature, but the theory gives the research firm foundations on which to build. Also the outcomes highlight that the value proposition within DDC takes characteristics and plays the role of Senge's (1990) shared vision, emphasising the importance of the marketing construct.

#### **6.14 Summary of reflection**

Model 7 (fig. 6.8) brings together the previous explanatory models 1 (fig. 6.2) and 4 (fig. 6.5) into one holistic diagram. This model then does not intend to be exhaustive or conclusion, it merely serves to highlight the findings of the study as well as the key processes explored.



Fig. 6.8. Model 7: Holistic conceptualisation of the research



## **Chapter seven: Overall conclusions**

This chapter draws together the conclusions of the study from previously discussed outcomes. An examination of the research methodology is made, followed by a review of the main research outcomes. Throughout this chapter this study's value to both academia and business is highlighted, concluding with a summary of key contributions.

### **7.1 Overview of the study's focus**

Rather than attempt to redefine marketing strategy, this study explores how it is actually implemented, taking the realistic perspective of exploring important elements for subsidiary business. This study looks at how company mindsets are developed and the role they play in marketing strategy implementation. The overall outcome of this study is a greater understanding of the relationship between the value proposition, the vision and marketing mindsets and ultimately how marketing strategy can be implemented more effectively. Models developed in this research are explanatory and are used to illustrate but from them business can gain key insights.

### **7.2 Methodological conclusions**

The first part of the literature review and pilot research build a solid platform on which the case study research is developed, verifying both theoretical development and sampling suitability. Both stages are selected for their suitability to the research's outcomes and come together to form a cohesive and comprehensive study. As well as supporting the use of qualitative research in marketing strategy, this study is a positive example of inductive research using multiple techniques. Whilst the philosophy of the research allows it to develop and grow, rigorous methodological considerations and protocols are used in order to strengthen both its validity and transferability. Limitations of the work are acknowledged and reduced where possible.

The sample selection is a crucial part of this research. Literature such as Peters and Waterman's (1982), Pascale's (1990), and Goldsmith and Clutterbuck's (1984) work is cited as drawing lessons from successful firms for other firms to emulate. The selected case study firm can also be seen as a positive example for businesses. Other studies also support the methodology used in this study. Alloza et al's (2004) study of the value proposition within the BBVA uses this single firm as its case study. However it offers



insight into a real-life business process with a heritage of success, thus supporting this study's single in-depth case methodology and use of a successful organization to explore such business issues. Perrey et al's (2004) work also supports the methodology of this study as it utilises a single case study with a two stage interview process (firstly unstructured then semi structured) to "capture involved practitioners' understanding of the issues and constraints", including tacit information. This study's research design and tools are therefore validated as suitable for capturing information from employee mindsets. Gratton and Ghoshal (2005)'s five year case study researches "companies that had demonstrated superior performance" with a two stage research process involving in-depth interviews with both executive committee and "executives in different functions and at different levels, including the operating-level managers who actually were involved in day-to-day activities". This reflects the methodology of this study and supports the validation of results through a shared interpretation of findings from both participant and researcher. Clearly single case studies with adequate depth and complexity are an accepted method of exploring business issues and uncovering potentially tacit information.

### **7.3 Marketing strategy**

Over the years, many authors have developed varied definitions of market strategy and this study finds that much emphasis has been placed on the more tangible aspects of going to market, particularly international marketing strategy texts such as Jeannet and Hennessey, (2004) Hollensen, (2004) and Cateora and Graham, (2005), highlighting entry strategies, selection of markets and advocating marketing programs. This study's focus on how to leverage the components of marketing strategy under their control is useful to many subsidiaries that are charged with implementing marketing strategy within the confines of international marketing planning. With consideration of Platts and Yeung's (2000) findings, this study argues that in marketing too there is an over emphasis of mixes and plans at the expense of softer or intangible issues of implementation such as a focus on the people behind these processes.

Piercy's (2002) strategic pathway is deemed by academic and business alike as a solid and practical framework on which to build marketing strategy. This study uses this



framework as part of its prior theory (Perry, 1998) to explore marketing strategy and ultimately the value proposition.

The outcomes of this research highlight that the value proposition embodies all that has gone before it in terms of planning marketing strategy. It emphasises the focus on customers, reflects the market choices that have been made and gains strength from any key relationships made. In short it represents the core of marketing strategy. Findings highlight that subsidiaries have the ability to leverage the value proposition, not just as part of marketing plans but also as part of developing effective implementation through marketing mindsets.

#### **7.4 Implementation of marketing strategy: the troublesome bridge**

Marketing strategy implementation can be viewed as the bridge between business and customers. Effective and inventive marketing strategy plans may be developed on one side whilst there may be untapped markets on the other. However, unless implementation occurs between the two then the strategy will be ineffective. This difficulty in progression from the development of marketing strategy plans to implementation has been highlighted by many in academia (Mintzberg, 1994; Harrison et al, 1994; Dobni et al, 2001) but still is not recognised enough in business (Piercy, 2002). It can be argued that the longer the bridge, i.e. the longer the distance between where marketing strategy is created in a company and where it is delivered to customers, the more crucial the focus on implementation is. This “functional separation” between marketing and operations is emphasised by Palmer et al (2005). This study therefore makes a distinction between the decided value proposition and the actual value proposition that is delivered to customers, with particular relevance to service-based firms. Due to their structures, MNCs and other large organisations are key examples of where the transfer of marketing strategy to implementation needs to be effective.

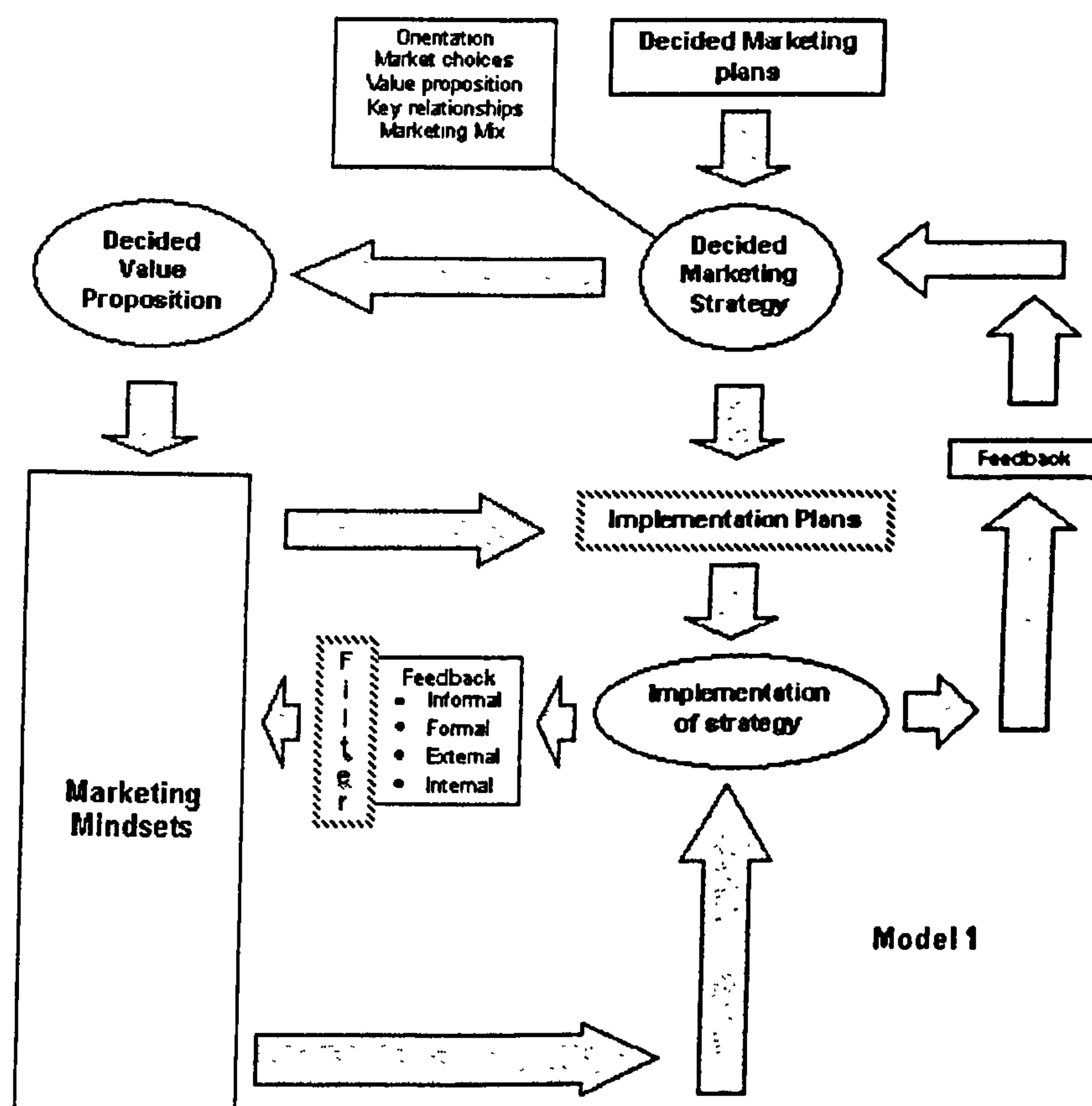
Through focusing on in-depth qualitative exploration of a real-world case, this study finds that marketing mindsets play a crucial role in bridging this gap. Although individuals have been highlighted in previous work (Slater and Narver, 1994; Coles, 2003) as key parts of the implementation process, this research to highlight the role of

value proposition engagement as a key part of effective implementation. Within DDC every interviewee is found to understand the value proposition whether from executive committee, operations, shop floor or category management team. The strengthening of engagement with 'what we stand for in the market' appears to align mindsets, reducing barriers of communication and increasing the efficiency of the transfer of the value proposition itself. In summary a micro model of value chain theory (Porter, 1985; Buzzell and Ortmeier, 1995; McIvor and McHugh, 2000) occurs between the decided value proposition and the implementation of the actual value proposition. Employees are conduits through which the value proposition flows to customers, but these linkages (i.e. mindsets) are also enhanced by the value proposition itself.

### **7.5 Marketing strategy, value proposition and mindsets**

The exploration of the relationships and processes between the implementation of the marketing strategy, the value proposition and marketing mindsets is highlighted in model 1 (fig. 7.1). As concluded above, the value proposition as well as being planned and implemented to deliver customer value, also impacts on the mindsets of employees within that chain. Feedback on performance also influences mindsets. Organisational learning studies (Morrison and Rosenthal, 1997; Steiner, 1998) support the inclusion of motivation within mindsets. How employees are engaged influences how implementation is executed and in some cases planning of marketing strategy.

*Fig. 7.1. Model 1: Holistic conceptualisation of the systems of marketing explored.*



## 7.6 The value proposition: At the core of marketing strategy

Many academics view competitive advantage as the core on which marketing strategy is built (Brooksbank, 1994; Devlin and Ennew, 1997) however the outcomes of this research suggest that the value proposition (as a construct) offers a more developed and supported core on which strategy can be built by both business and academia. The value proposition includes the customer orientation, the way in which customers should perceive the offering (positioning) and from where this power comes (marketing assets). Also in contrast to the company broader vision and values, the value proposition tightly defines not only the organisation's core purpose, but can also act as a cognitive day-to-day focus for employees.

Rather than Perrey et al's (2004) view of a reflective value proposition, this study finds that the value proposition is not a summation, but a constant from which actual value propositions are taken, reflecting the concept of the shared vision (Senge, 1990), a key



differentiation taking account of the value proposition being decided upon by management but that employees in the chain influencing the actual value proposition. Rather than competitive advantage, marketing needs to move forward to embrace the customer orientation as part of the core of marketing strategy, utilising the value proposition as the basis for marketing strategy in organisations.

### **7.7 The value proposition: a cognitive focus**

Whereas some studies have emphasised the value proposition as a key marketing concept (Walters, 1999; Buttle, 2000; Piercy, 2002), and others have focused on definitions of the internal impact of the value proposition (Webster, 1994; Alloza et al, 2004) this study adds depth to both by going further and exploring actually how it occurs in modern business. The value proposition is a key part of both marketing strategy development and implementation. In the marketing strategy process it embodies what the company stands for in the market place; distilling the orientation, market choices and relationships decisions made by the organisation into a single customer-focused purpose. In the implementation process the value proposition plays a key role in the creation and alignment of marketing mindsets throughout the organisation, adding drives to both individuals and clusters within, forming an implementation mindset that ultimately affects the customer experience. This double role of the value proposition means that not only is its design and external communication crucial, its communication and implementation within an organisation can be a critical factor in the success of marketing programmes. Practical exploratory models such as 3 below (fig 7.2) are a key outcome of this research. This model highlights the methods of communication for the vision and value proposition within DDC and therefore essentially shows the communication and development of marketing mindsets. This model is not exhaustive but forms a basis upon which future research can be built.

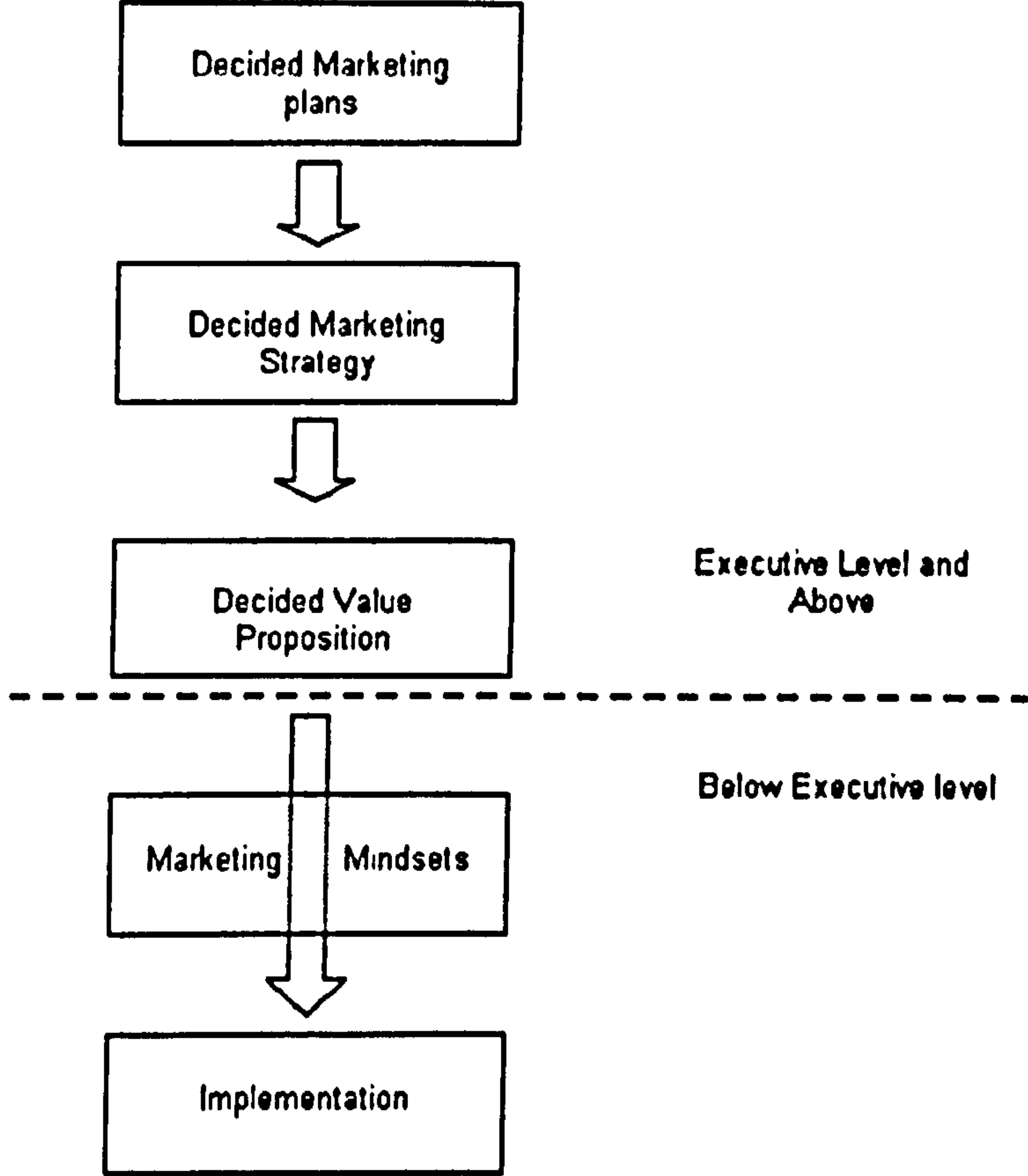
Fig. 7.2. Model 3: Communication of vision: outcome of methods

Model 3    Mindset communication: outcome of methods		
	Direct (cognitive) (Tell)	Indirect (behavioural) (Show)
<b>Formal</b> (Standardised & controlled)	Clarity and penetration  Example: Launch at Conference	Relevance and <i>expectations</i>  Example: Performance targets
Informal	Maintenance of importance through frequency  Example: Day to day discussion	Implementation through implementation  Example: Demonstration

### 7.8 Mindsets: From planning to implementation

This study explores the role of mindsets in interpreting and implementing marketing strategy. Marketing plans that are decided upon by higher levels of management may not be implemented as intended due to the mindsets of company employees. There is even more potential for this where people deliver the value proposition reinforcing Palmer et al's (2005) work on the importance of employees in delivering strategy. Figure 7.3 below illustrates the critical role that mindsets play within this process in DDC where the executive level (areas A and B) will develop plans in step with the value proposition and then use lower levels to implement them. In some cases lower levels will be given responsibility for the developing marketing plans, but even so this development will be influenced by their mindsets of what the company stands for i.e. the value proposition.

*Fig. 7.3: The critical role of mindsets in implementation*



The distillation of the vision, the value proposition and both personal and company drivers within employees creates a mindset with which they will plan and implement marketing strategy. The value of this key element of marketing is often placed behind more formal and tangible processes of strategy but the above findings highlight the importance of marketing mindsets to firms.

It is found that this intangible area of marketing strategy implementation is often neglected at the expense of more formal and tangible processes. This research highlights this issue through the inclusion of mindsets as a core concept. In exploring implicit demonstration as a key communication tool for business (model 3, fig. 7.2) this study has increased the understanding of tacit knowledge within the process of marketing implementation.

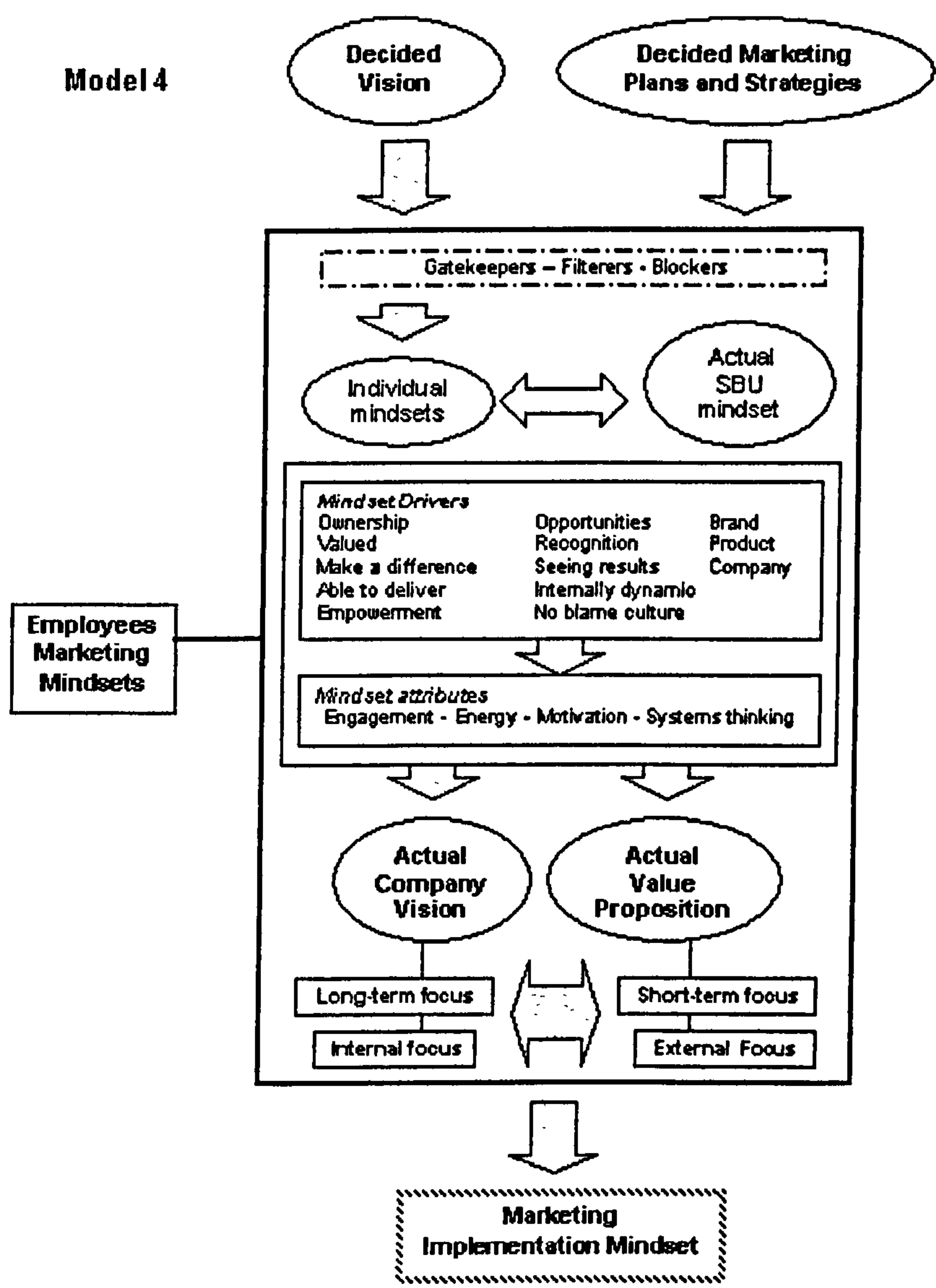


Not all aspects of mindsets will be shared, but what is important is that key facets of mindset, such as the value proposition are. Sharing the value proposition through an organisation may lay down a basis for other areas of the mindsets to be shared, overcoming management communication barriers (Steiner, 1998) and a lack of system thinking (Senge, 1990). This study's focus on mindsets integrates and supports previous work on the importance of staff in delivery of value (e.g. Piercy, 1994). It is no longer good enough to be customer oriented, business must become people oriented.

The strong sharing and engagement of employees with the value proposition becomes a common level of understanding between management and employees, overcoming traditional barriers of communication (such as Masiello, 1988 and Steiner, 1998) and allowing shared mindsets to develop. Steiner's (1998) emphasises the difficulty for management in communicating with other employees. The ability for elements of mindset to be shared (a company mindset) reduces such barriers of language and communication, whilst issues of trust and truth are lessened by the company's "commitment to the truth" and other learning organisation attributes. Thus this research offers business insights into real-world solutions to management issues.

*Model 4 (fig 7.4) explores the mindsets of employees, focusing on the interactions between value proposition and vision within. As with feedback in model 1 (fig. 7.1), filtering and barriers to communication can occur from individuals in the organisation (Senge 1990, Steiner, 1998, Garrett, 2000). A flat communication hierarchy and meetings between all personnel can overcome these filters. The decided vision and decided value proposition influence individual mindsets and thus the shared or company mindset of the organisation. Mindset drivers are part of mental models, influence motivation (Argyris as cited by Senge, 1990; Morrison and Rosenthal, 1997; Lee, 2004) increasing or reducing mindset attributes such as energy and engagement. These attributes will help in determining how employees engage and perceive the value proposition and the company vision.*

Fig. 7.4. Model 4: The value proposition and vision affecting marketing mindsets



7.9 Subsidiary marketing strategy

In a dynamic and complex market a solid value proposition is vital in guiding the marketing strategy of the firm. The strong value proposition within DDC helps to focus employees, not allowing the fast-pace of the industry to leave mindsets unclear or impeded. A localised part of an MNC has little interest in global strategy, rather focusing on the best use of marketing strategy under their control. Subsidiaries of MNCs within many markets can be constrained by standardised products and



international/global corporate strategy, but the value proposition is one of the few elements of strategy that can be leveraged by these firms at local level in order to adapt to the market. Therefore value proposition understanding is crucial for such firms and supports the purpose of this study and its outcomes.

### **7.10 The company vision: creation of clarity and long-term focus**

This research explores the impact of the company vision on marketing strategy implementation through marketing mindsets. The company vision of DDC does not have the impact that Senge's (1990) *shared vision work* emphasises. It creates no wave of affection or devotion from employees and does not create a higher level of engagement. Senge (1990) says that traditional top-down approaches may not work due to them not being implemented and having no match to the personal visions however, the reason that the company vision has little effect is that DDC's values are already implicitly understood through employee's engagement with the value proposition. Many employees feel that they know where DDC is heading already and that the vision merely explicitly and formally expresses this. Therefore the company vision clarifies and solidifies the "common caring" (Senge, 1990) for employees of DDC but does not create it. Through creating shared marketing mindsets, the value proposition is used as an implicit vision of the company. As the value proposition is most felt by those who have a key part to play in delivering the value to customers, it can be argued that functional areas will be more affected by the company vision.

This study agrees with Senge (1990) and Morrison and Rosenthal (1997)'s findings that vision creates long-term goals and a broader viewpoint. However this study adds to this literature by suggesting that although the shared vision creates long-term focus, it is the value proposition that creates short-term focus within employees. Rather than long term goals and end results, the value proposition guides employees how to go about their day-to-day work and therefore may have greater impact on the implementation of marketing strategy. This study highlights that Senge's (1990) view of the shared vision can be transferred into a marketing context through the value proposition.

So in summary, what effect does the formal company vision have? The company vision strengthens the impact of the value proposition and brings clarity, long-term focus,



broader perspectives and a drive to mindsets. The vision also gives employees a formal structure with which to stand back and reflect on the value of their work and their role within the company and gives long-term *confidence without risks* of communicating sensitive future plans. Although internally focused its effects should be felt externally.

In conclusion, Senge's (1990) concept of the shared vision is actually communicated implicitly through the value proposition within DDC. The company vision strengthens, clarifies and explicitly solidifies this value proposition in the mindsets of employees. Employees who are directly involved in the process of delivering value to customers are influenced implicitly by the value proposition than by the company vision.

### **7.11 Summary of the work's value to both academia and business.**

This study makes useful contributions to the gaps identified in the marketing strategy literature as well as highlighting the importance of qualitative research within business. The solid and detailed methodology of this study allows it to be built upon by other research. This study's focus helps marketing strategy literature to keep pace with the business world.

This research develops an understanding of subsidiary marketing strategy, highlighting the key aspects of marketing strategy that can be leveraged within the context of corporate strategy whilst also emphasising the importance of the value proposition not just as part of the marketing strategy process, but also a key influence in marketing implementation through mindsets.

Through its use of multiple management disciplines this research highlights how marketing strategy does not exist in a vacuum but can *take learnings* from other business fields (such as organisational learning) to increase its understanding. This study also highlights the need for a focus on intangible and real-world processes in academic research such as the people behind the strategy. Even though mindsets are difficult to study and examine, their importance remains high as a key part of bridge between marketing strategy planning and effective implementation. Therefore management must consider marketing mindsets alongside developing marketing plans,

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ensuring that employees understand and engage with their role within the devised strategy.

This study produces explanatory models and recommendations (see chapter 8) covering critical marketing strategy implementation processes such as communication of vision (model 3, fig. 7.2), the relationships between the value proposition and mindsets (models 5 and 6, figs 6.6 and 6.7 respectively) and the importance of feedback (model 2, fig. 6.3), which focus on how processes occur rather than mere descriptions. These models bring together and crystallise abstract processes from many disciplines of management in a simple and practical manner. This allows academia to build upon them further, using holistic models such as 1 and 4 (figs 7.1 and 7.4) to give context to individually studied components. The models also give valuable insights for business, increasing their understanding of marketing processes and highlighting the importance of shared mindsets for effective marketing strategy implementation.

## **Chapter eight: Recommendations**

This chapter highlights clear links to future research and recommendations for both business and academia. Proposals for future research that build directly on this study are given and are followed by theoretical proposals based on the research findings. Recommendations from the research outcomes are then given for the case study sample (DDC), followed by recommendations that could be transferred to other suitable companies and industries (see section 8.2.1 for a note on transferability). Finally, recommendations for academia are given.

### **8.1 Future research recommendations**

This study uses a theory building approach as part of its exploration of marketing strategy; therefore there are many links to potential future research. For clarity this section firstly focuses on ways in which to directly build on the case study research and then research links related to theoretical outcomes are discussed.

#### **8.1.1 Building on the case study**

An observational study would work well alongside this research. It would allow the behaviour of employees in relation to marketing strategy implementation to be directly investigated, meshing with this study's exploration of marketing mindsets. In effect it would gain insight into the behavioural side of the process, adding to this study's cognitive emphasis. A behavioural study would allow the research to develop further whilst aiding in the validation of this study's outcomes.

As previously acknowledged quantitative research is needed to formally aid the transferability of this study's outcomes (Perry, 1998). A broader survey-based approach could be undertaken with multiple companies to test the relationship between the value proposition and mindsets. This study would not only aid in the generalisability of data but also would refine this study's models and help develop frameworks and tools for business. An ethnographic study could be used to study at first-hand the mindsets of DDC or indeed other cases, however the key barrier to this potential research is the need for the researcher to be an employee of the organisation.



If suitable access and resources are made available, a return to the console market could be a viable area of research. A replication of the case study, on multiple cases such as the three console firms would be a good way of gaining insight into the workings of such established MNCs in an exciting and important market. The focus on MNC understanding, touched on in this study, could be fully explored and add to the literature not only on MNC organisation, but also introducing global strategy issues.

A replication of this study in the same company would help to explore the dynamic nature of business, add greater depth to the research and could also validate this study's findings. Due to the success of the exploration of the effect of the new vision rollout within DDC, a longitudinal study would help to investigate changes in the key outcomes over time. As management exists in a state of dynamism and flux, this long-term perspective may obtain greater insight into real business issues and process.

### **8.1.2 Theoretical propositions**

The value proposition embodies what a company stands for in the marketplace, distilling the orientation, market choices and relationship decisions made by the organisation into a single customer-focused purpose.

Employee engagement with the value proposition is a key part of the marketing strategy implementation process.

The value proposition can act as a cognitive marketing focus for employees, implicitly driving day-to-day activities, reducing organisational barriers and increasing employee motivation.

Within the constraints of corporate or international strategy, the value proposition can be leveraged by UK subsidiaries both internally through marketing mindsets and externally through the creation of customer value.

Intangible elements of the marketing strategy implementation process such as marketing mindsets and employees are crucial and are under emphasised within academia.

The utilisation of multi-discipline research adds to the understanding of marketing strategy implementation as it can increase the usefulness of research to business and reflects the increasingly complex environments in which they must compete.

### **8.1.3 Building on theoretical outcomes**

The focus of this research is oriented to the implementation of marketing strategy rather than planning. Mindsets and the value proposition clearly have a role to play at this prior stage of the marketing process and further research in this area would help to develop a holistic perspective of the overall processes of marketing strategy in terms of marketing mindsets and the value proposition.

In this study it is acknowledged that a subsidiary's perspective is taken. The alternative to this viewpoint could be an area of further research adding a rounded and broader angle to the outcomes. An in-depth study of DDC's parent company including its relationship and mindsets toward its subsidiaries and how it organises marketing strategy has great potential to expand on this research's findings and would offers a more holistic view of the organisation.

As noted previously, this research can only directly focus on the value proposition due to the service-based nature of DDC's product. As the value proposition is delivered through people, the research as a useful construct to organisations with a similar offering, however an investigation could be carried out in firms with product based offering in order to identify differences and similarities, non-transferable and transferable elements of the findings from this study. Not only would this research allow the development of the value proposition theory but also offer insight into the service/product relationship.

Mindset drivers are one outcome of this study, but they are merely listed with key elements highlighted (such as empowerment). A further study could identify their relative value within the organisation and how marketing strategy affects their development. Both qualitative and quantitative methods can be used to explore and then examine these variables.

Many of the models developed by this research can be refined, explored and built upon in future research. One of the key outcomes of this study is model 3 (see fig. 7.2). This model highlights the methods of communication for the company vision and value proposition within DDC and therefore essentially shows part of the development of marketing mindsets. This model needs to be assessed through further qualitative and quantitative research in order to hone its qualities and to validate its usefulness to business.

## **8.2 Recommendations for business and academia**

### **8.2.1 A note on transferability**

As highlighted in the methodology and prognosis, a key concern of single-case study research is the ability of its outcomes to be transferred to other industry and companies. Due to the theory building nature of this study, it is acknowledged that any output will need to be tested for statistical generalisability (Perry, 1998). However this is not this study's goal. This research defends the transferability of its outcome through supporting material within its methodology. Also this chapter draws on Yin's (2003) assertion that "case studies, like experiments, are generalisable to theoretical propositions and not to populations or universes" and that the goal of this case study is to "expand and generalize theories (analytical generalization) and not to enumerate frequencies (statistical generalization)". Thus the recommendations for industry below are only particularised for the firms studied. Further recommendations are framed through theoretical generalisation rather than any particular industry or firm.

### **8.2.2 Recommendations for business: DDC**

#### **Vision**

The case study findings highlight that culture in an organisation can be strong without a formal company vision. Not only does this show the importance of the value proposition within DDC, but also highlights the importance of employee engagement over mere acknowledgment



However the company vision is an important tool within DDC in the creation of a formal structure for reflection and broader, longer-term mindsets yet must continue to integrate with the value proposition in its values to avoid confusion.

### **Mindsets**

The marketing mindsets within DDC are strongly shared and engaged with. However as these exist in dynamic contexts, DDC must maintain these mindsets through integrated communications (see model 3, fig. 7.2). For example, executive level management must continue to demonstrate the DDC mindset otherwise marketing strategy implementation and performance could ultimately suffer.

DDC has developed a mindset that strongly positions both against and with its parent company. Positioning against the wider company is both positive (creating strong atmosphere for subsidiary goals and a desire to prove) and negative (creating dissonance with wider organisational goals and reduces systems thinking) for DDC. Therefore care must be taken by management to control this aspect of mindsets and find a balance. If recognised, the parent company of DDC could use this valuable source of information to improve their effectiveness.

As shown, shared mindsets rely on strong communication networks. Management has overcome filters through circumventing traditional lines of communication. However there is a way in which strong and more objective lines of communication can be created. An I.T. system could aid DDC in its information flow between head office and stores increasing the likelihood of mindsets becoming strongly shared. A national information system, which allows the controlled communication of elements of the value proposition (e.g. treatment of customers), could give DDC the following benefits.

- Frequent and controlled communication with stores
- Allow stores flexibility to have information on 'unknown' customers
- Share customer knowledge between head office and stores
- Reduce the impact of gatekeepers and filters on communications

The above outcomes would allow shared mindsets to develop as well as strengthening the consistency of DDC's service.

## **Feedback**

DDC appears to lack effective use of feedback. Feedback from customers to the marketing department is filtered and often not useful, whereas informal internal feedback is not yet part of the DDC culture. There are still uncertainties over how it should be carried out by staff and this needs to be overcome through using the integrated methods of mindset communication (model 3, fig. 7.2). This model shows that through formal/direct communication, and followed by other methods such as demonstration, internal feedback can become more effective and influence mindsets and thus marketing strategy implementation in a positive manner.

### **8.2.3 Recommendations for business**

#### **Value Proposition**

Even if a subsidiary's strategy is constrained by higher levels of the organisation, the value proposition is a key element that can be leveraged to compete in the market, not just through marketing plans but also as part of developing effective *implementation* through marketing mindsets.

As with DDC, shared mindsets must become a key goal for organisations. Not all aspects of mindsets can be shared but what is important is that key facets of the mindsets, such as the value proposition, are. The value proposition itself can be used to create these shared mindsets in companies, helping to overcome traditional barriers between management and operations (Steiner, 1998). Communications methods illustrated in model 3 (fig. 7.2) can be used to develop integrated system of developing shared mindsets.

Subsidiaries can also benefit by using the value proposition to create shared mindsets in critical partners, impacting positively on relationships between the organisations and the implementation of integrated marketing strategy programmes.

#### **Mindsets**

As highlighted above with the DDC case, within a subsidiary, care must be taken by management to control the positioning of mindsets against and with the parent company. The parent company of the subsidiary could use this valuable source of

information to improve both their effectiveness and their relationships with other areas of their company.

#### **8.2.4 Recommendations for academia**

##### **Value proposition and the implementation of marketing strategy**

When constructing the building blocks of marketing strategy, it is all too easy for literature to exclude the critical role of employee's mindsets. Although marketing strategy in literature draws a formal line from the business to the customers it often neglects the less tangible aspects of marketing strategy. The role that employees play in both the development and implementation of marketing strategy must be considered.

The distance between strategic planning and marketing strategy implementation can be large in MNCs. Effectively converting plans to actions is key. This study views the value proposition as a key component of that process. Using the value proposition directly in terms of its planning and implementation to customers is not enough. A strongly shared value proposition can align mindsets, increase motivation, reduce barriers of communication and increase the efficiency of the transfer of the value proposition itself.

##### **A focus on key business issues**

Research on MNCs has tended to focus on cultural differences and global organisation of strategy. This study queries whether this is of key importance to the domestic subsidiary. Their role is outlined and constrained by corporate strategic plans, yet it is within the domestic market they must compete. Rather than international marketing strategy, a focus on how to leverage the components of marketing strategy under their control is more useful to many subsidiaries that are charged with implementing marketing strategy within the confines of international marketing planning. Therefore this study recommends that marketing strategy development needs to become more flexible in its outlook and use context as a key judge of suitability.

##### **Cohesive research**

Due to the complexity and dynamism of business today, it is not sufficient for business research to constrain itself within one particular field of study. This research highlights



the usefulness of knowledge from other aspects of management theory and stands as an example of how business disciplines can be used to support each other and build cohesive research. The research models developed can be utilised by academics to bring together more focused research and theory allowing a more holistic approach to be undertaken.

**More than a customer orientation**

This study's outcomes emphasise that marketing needs to move forward to embrace a people-orientation as part of the core of marketing strategy; not just as a preliminary stage of planning. The value proposition must embody the whole of marketing strategy including orientation, positioning, differentiation, relationships, defining not only the organisation's core purpose but acting as a cognitive focus for employees. The value proposition is a construct with the potential for simplifying the marketing strategy process for both business and academia and needs to be given greater emphasis.

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